AGRICULTURAL POLICIES

in THE WESTERN HEMISPHERE

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Foreword

Five previous reports by the U.S. Department of Agriculture have described agricultural policies of foreign governments. The first was a review of depression policies before World War II, and the most recent, published in May 1964, was Agricultural Policies of Foreign Governments--Including Trade Policies Affecting Agriculture, Agriculture Handbook No. 132.

This report provides a review of the agricultural policies likely to affect the level or composition of agricultural production and trade in the Western Hemisphere (Canada, the 24 Latin American countries, French Departments, Netherlands "Members of the Realm", and United Kingdom "Associated States" and dependencies--excluding the United States, its dependencies, and the Commonwealth of Puerto Rico).

Howard L. Hall, Assistant Chief of the Western Hemisphere Branch, provided direction and coordination of this report, which was written by Gae A. Bennett, Wilbur F. Buck, Mary S. Coyner, Richard M. Kennedy, and Samuel O. Ruff, economists in the Western Hemisphere Branch. Background material on policy and commodities was drawn from scheduled and special reports of U.S. Agricultural Attachés throughout the Hemisphere.

Metric tons are used throughout the report unless otherwise specified; area is given in both hectares and acres. Prices and values are indicated in local currency units and their U.S. dollar equivalents, usually converted at the prevailing free market rate of exchange. The report is generally based on information available through June 1967.

Charles R. Davenport

Charles R. Davenport, Chief
Western Hemisphere Branch
Foreign Regional Analysis Division

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by the Western Hemisphere Branch
Foreign Regional Analysis Division

Summary

The Western Hemisphere for the most part depends heavily on agriculture. Almost three-fourths of the Hemisphere's fast-growing population is concentrated in tropical countries with a pronounced dependence on farm output. In Latin America approximately one-half of the population is rural, and the agricultural sector accounts for more than one-fifth of the gross national product and one-half of total export earnings.

The agricultural policies of most Hemisphere countries in recent years reflect the growing need to expand agricultural production through technology, the opening of new lands, and the varying of crops. These policies often try to cope at the same time with social and economic problems inherent in a traditional agrarian structure. Increased and diversified output in an updated farm structure, however, is not the only general aim of most Western Hemisphere nations. A growing trend toward urbanization and industrialization has created new problems, first in supplying urban centers when transportation and marketing facilities are lacking, and second in coordinating national goals of agriculture and industry to meet the overall economic goals of increased employment and income.

Price support programs, for example, have been almost universally introduced. And in recent years, guaranteed minimum producer prices have been established for domestic food crops to ensure adequate supplies throughout Latin America. Prices are usually supported by Government purchase and storage programs. Both Government and semiautonomous agencies provide monopolies for marketing principal exports crops in Canada, Brazil, and Colombia and are important in price stabilization programs elsewhere. Government food supply agencies have been established in many countries. The effectiveness of price support programs, however, is often limited by inadequate storage and marketing facilities and subsidy costs.

Research, extension, and credit programs to stimulate improved technology in agriculture have received emphasis in most countries during the past two decades. Latin American agriculture receives substantial assistance from the United States, as well as from international and private organizations. This

assistance has been augmented and integrated under the Alliance for Progress Program, signed by the United States and 19 Latin American nations in August 1961. The Alliance program is administered within the framework of the Organization of American States (OAS), which is responsible for the coordination of political and economic affairs among the American countries. The OAS provides membership countries (United States and all Latin American countries except Barbados, Cuba, Guyana, and Jamaica) with financial assistance for agricultural development through the Inter-American Development Bank (IDB). In addition, the OAS assists in economic planning and in programs of agricultural research and education in Latin America.

The Alliance program provides for a substantial increase in self-help and technical and financial assistance from the United States, the IDB, and the International Bank for Reconstruction and Development (IBRD). The Food and Agricultural Organization (FAO) and other United Nations organizations, and private organizations such as Rockefeller, Ford, and Kellogg, have contributed to improvements in agricultural research and education in Brazil, Chile, Colombia, Mexico, and other countries.

Agrarian reform in Mexico, Bolivia, and Cuba have substantially modified institutional frameworks and landholding systems in highly populated rural areas. Programs have been formulated or begun in most other Latin American countries to provide for basic land and tax reforms and land development but progress has been restricted by limited financial and technical resources. Expansion of irrigation has contributed to a high rate of agricultural development in Mexico during the past two decades and is important in plans to improve agriculture in Chile, Peru, and Venezuela. Improved transportation has opened new land for settlement and development in Central America, Bolivia, Brazil, Colombia, Ecuador, Paraguay, and Peru.

Hemisphere trade policies reflect the dependence of many countries on agricultural exports for exchange and fiscal revenues and the growing demand for food imports. Trade programs emphasize growth and diversificiation of exports to maximize foreign exchange resources, to protect domestic industries through tariff and other restrictions, and to maintain adequate food supplies for urban consumers.

Direct assistance for well-established exports, such as coffee, sugar, and grains, is provided by Government or producer monopolies, with trade subject in varying degrees to taxes or subsidies. Principal Latin American exports, particularly coffee, sugar, and cotton, are often subject to taxes and to the conversion of foreign exchange earnings at rates below those used for less important commodities.

The restrictive effects of tariffs upon agricultural imports vary widely between countries and commodities. The general levels for Argentina, Canada, Ecuador, Peru, and Venezuela may be considered moderate, but rates of duty for many products are high in Brazil, Chile, Colombia, Mexico, and Central America. Most commercial agricultural imports are licensed. Exchange and special quantitative controls are important in Canada, the Caribbean, Central America, Mexico, and South American countries, including Colombia, Ecuador, and Venezuela. However, the effect of import restrictions are often modified through the operations of state trading agencies which provide the principal method of import for many essential farm commodities entering Mexico, Colombia, and Chile.

Most Hemisphere countries also share in multination agreements on either tariffs or trade. Fourteen nations participate in the General Agreement for Tariffs and Trade (GATT); others have trade agreements with the United States. Many of these and other countries provide most-favored-nation treatment of duties and other trade benefits to non-GATT nations.

The Central American Common Market (CACM)--established by a treaty for economic integration between Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua in 1960--provides for a common market and completely free internal trade by 1970. By the end of 1966, over 90 percent of internal trade was free of duties (tobacco and wheat flour were important exceptions). Common external tariffs had also been established for most agricultural products, including: Free entry of breeding animals, feedstuff, and most seeds and planting materials; and a 10 percent ad valorem duty for other animals, with a specific duty of $7 per head for cattle, $4 for swine, and $1.50 for sheep. Other representative agricultural tariffs, in dollars per pound and ad valorem rates in percent, are: Chilled and frozen meat, excluding poultry. $0.27 and 10; poultry meat, $0.36 and 15; butter, $0.27 and 10; lard, $0.23 and 10; beans, $.045 and 8; and milled rice, $.045 and 15; corn, $.036 and 10; fresh fruit, $0.136 and 25; cotton, $.091 and 15; and soybean oil, $.091 and 10. Duties are to be equalized for other agricultural commodities, including tobacco and certain dairy products, by April 1969, with wheat, wheat flour, and tallow subject to later action.

The Latin American Free Trade Association (LAFTA)--established by a treaty for economic cooperation between Mexico, Argentina, Brazil, Chile, Paraguay, Peru, and Uruguay in 1960 with membership later granted to Colombia, Ecuador, and Venezuela--is not a common market but aims at reciprocal reductions of duties and other restrictions to achieve free trade between member countries over a 12-year period. However, at the meeting of 20 Chiefs-of-State of the Organization of American States in April 1967, it was agreed that by 1985 intra-LAFTA trade would be free of duties and restrictions and a common external tariff achieved. The same meeting also resulted in an agreement to work toward one Latin American Common Market (LACM). Temporary revocable reductions in tariffs and other trade restrictions among LAFTA countries have been negotiated bilaterally each year under National Schedules with concessions by individual countries granted on a multilateral basis to all members. Current estimates indicate that intra-LAFTA tariffs have been reduced to about 50 percent of the level applicable to nonregional imports, with significant preferences granted on some member countries' agricultural products, including grains and grain products, fruits and vegetables, fats and oils, and dairy products.

In 1964 members of LAFTA also negotiated the first permanent common list of commodities of each country to be progressively freed of all restrictions by the target year 1973. Agricultural commodities affected included breeding animals, selected variety meats, pulses for seed, oats, bananas, green coffee, brazil and cashew nuts, vegetable seeds, and crude palm, tung, and fish oils.

Many of the LAFTA and CACM trade preferences to member countries have been modified or nullified by the application of escape clauses or by state trading and bilateral agreements. In addition, exports have been maintained to traditional markets at the expense of intraregional trade. While trade has increased between member countries, large additional gains may require long-term

efforts for the same reasons that have limited past gains, due to the stretch-out in the LAFTA timetable of reductions, and as a result of more difficult negotiating problems as restrictions are progressively reduced.

In 1966, Antigua, Barbados, and Guyana joined to form the Caribbean Common Market (CARIFTA), with a limited implementation to date. And as this report was being prepared, the 13 English-speaking territories of the former British West Indies (including Guyana and British Honduras) had tentatively agreed to form a free trade area, with the possibility of erecting a common tariff trade wall governing future external trade.

Other cooperation in Hemisphere trade includes the International Wheat Agreement (IWA), the International Sugar Agreement, and the International Coffee Agreement (ICA). The ICA includes nearly all coffee producers and has maintained relatively stable world prices for the Hemisphere's principal export product in recent years.

North America

CANADA

Canada ranks as one of the world's important industrial and agricultural nations with a diversified economy based upon manufacturing, agriculture, forestry, and mining. The economy is strongly oriented toward foreign trade, and exports approximated 17 percent of GNP in 1965. Development and trade have been influenced both by proximity to the United States, Canada's principal trading partner, and by close ties with the United Kingdom and other Commonwealth nations. A strong rise in trade with these and other industrialized nations has been associated with diversification and favorable development trends of recent years.

Although economic activity has maintained high income and employment levels, it shows signs of leveling after the uninterrupted boom of 6 years. Strong demand for goods and services was reflected in increased imports during 1966. In general, price levels increased and sales of consumer durables dropped as a result of tight credit, increased taxes, and high interest rates. However, Canada is expected to maintain near-record agricultural output despite some weakening in livestock production.

General policies and programs: The Economic Council of Canada was established by the Parliament in 1963 to advise on medium and long-term economic development. The Council's 1964 report, "Economic Goals for Canada to 1970," concluded that an annual growth rate of 5.5 percent in real GNP was needed to employ the country's growing labor force and to reduce unemployment to an annual rate of 3 percent. A rise in gross private investment of 87 percent between 1963 and 1970 was projected to achieve annual growth targets of 0.5 percent for agriculture and 5.9 percent for nonagricultural sectors and to obtain a yearly rise of 2.4 percent in output per employed worker.

Agricultural policy goals aim to assure adequate farm incomes and to support a high rate of economic growth by providing sufficient farm products for

growing domestic and export markets. Policies include improved efficiency of farm and marketing operations supported by cooperative research and extension services of the Federal (CDA) and Provincial Departments of Agriculture, by operations of the Farm Credit Corporation (FCC), and by subsidies on farm inputs and transportation; stabilization of farm prices by the Agricultural Stabilization Board and of markets through programs of the Canadian Wheat Board, Dairy Commission, and numerous Provincial commodity marketing boards; and the provision of import protection and export assistance, including subsidies, for farm commodities.

Production and marketing programs: The cooperative research program is largely financed and operated by the Federal Government, and agricultural extension and education are mainly the responsibility of the Provincial Governments. Programs give particular emphasis to efficiency of crop production. These services have been strengthened in recent years by an increase in trained personnel. The Farm Credit Act of 1959 established the FCC as an independent corporation to provide credit to improve farm operations. Credit is also provided under the Farm Improvement Loan Act under which the Government guarantees 10 percent of farm loans by chartered private banks. The Farm Credit Act was amended in 1964 to raise authorized farm loans from 500 million to 600 million Canadian dollars ($463 to $555 million) and to increase the individual loan ceilings to 40,000 dollars ($37,000). 1/

Large-and small-scale irrigation and reclamation projects are financed under provisions of the Prairie Farm Rehabilitation Act and, to a lesser degree, by the Maritime Marshland Rehabilitation Act. These development programs were supplemented in 1962 by the Agricultural Rehabilitation and Development Act which provides assistance in developing cooperative Federal-Provincial programs for education and vocational training, land improvement and consolidation, and community development to improve rural employment and living levels in marginal areas.

The Government shares one-half the administrative costs and grants subsidies of up to 25 percent of premiums for Provincial Crop Insurance programs and underwrites Provincial losses that exceed total premiums and reserves by 200,000 dollars ($185,000) or more. Cash advances and other types of financial assistance are also available in case of crop failure. Favorable rail rates have been maintained for grain exports since 1922. The Freight Assistance Act provides a substantial subsidy for the movement of western feed grains to eastern cattle feeding areas. The Federal Government also makes quality incentive payments for cheese, hogs, lambs, and improved breeding cattle.

The Canadian Agricultural Stabilization Board is required to maintain mandatory supports at not less than 80 percent of a base price, the average for the previous 10 years, for 9 commodities: Cattle, hogs, sheep, butter, cheese, and eggs, as well as wheat, barley, and oats grown outside the jurisdiction of

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1/ Throughout this report values are given in local currency, followed by U.S. dollar equivalents in parentheses. This includes prices and trade levies or duties, expressed both in local currency units per kilogram and U.S. cents per pound.

the Canadian Wheat Board. Upon the request of producers, additional designated commodities can be supported at varying percentages of the base period price. In recent years, designated commodities have included soybeans, sunflowerseed, tobacco, tomatoes, potatoes, wool, turkeys, and honey.

The principal method of price support for mandatory and designated commodities is the deficiency payment, which is the difference between the mandatory support price and the average annual return to producers. Prices of some commodities, including oats, barley, steers, butter, cheese, and dry skim milk, have been maintained by Agricultural Products Board purchases at mandatory support levels. Fixed payments to processors have been used for manufacturing milk and casein. Each year the Government establishes initial prices for delivery of wheat, barley, and oats in the three Prairie Provinces and parts of British Columbia and Ontario. The Wheat Board later distributes net earnings, principally from export sales. After 1966, the responsibility for dairy price supports was transferred to a newly created Dairy Commission under a program which includes a purchase provision for butter, cheese, and dry skim milk and a producer deficiency payment of 1.74 Canadian cents per kilogram (.073 U.S. cents per pound) for manufacturing milk.

Guaranteed prices established by the Stabilization Board for 1966 in Canadian dollars per kilogram (U.S. cents per pound) included: Wheat, No. 2 Ontario, 0.05 (2.1); oats, Ontario, 0.033 (1.4); barley, Ontario, 0.033 (1.4); live steers, Toronto, 0.40 (16.8); live lambs, 0.42 (17.4); hogs, dressed, 0.48 (20.2); creamery butter, 1st grade, 1.31 (55.0); cheese, 1st grade, Montreal, 0.84 (35.2); sugarbeets, 0.16 (6.6); wool, 1.31 (55.0); and manufacturing milk, 0.91 (37.9). The following 1966 initial delivery prices were established in cents per kilogram for grains: Wheat, 0.05 (2.1); oats, 0.03 (1.4); and barley, 0.03 (1.3).

Marketing services provided by private firms and cooperatives are supported by Government assistance, including research, grading, inspection, grants for construction of storage and processing facilities, and transportation subsidies. Marketing regulation and assistance are provided producers by the Canadian Wheat Board, the Canadian Dairy Commission, and by numerous commodity marketing boards and commissions authorized under Provincial legislation.

The Wheat Board, assisted by the Board of Grain Commissioners and by the private grain trade, operates as a monopoly for commercial marketing on behalf of grain producers (wheat, barley, and oats) in Manitoba, Saskatchewan, Alberta, and limited areas of adjoining Provinces. In addition to pricing activities, the Board buys, stores, and sells or otherwise disposes of grains under pooling arrangements for various grades of each crop, It also has the power to establish delivery quotas, based upon permit books issued to each producer or producer group, and to insure orderly marketing. The 1957 Prairie Grains Assistance Payments Act enables farmers to obtain cash advances up to 3,000 dollars ($2,775) prior to delivery to the Board. An estimated 85 percent of grain produced in the Prairie Provinces is marketed through the Wheat Board. Since 1955 the Government has absorbed storage and interest costs on wheat stocks held by the Board in excess of 4.8 million tons (178 million bushels) at the beginning of any crop year.

Sales by 88 commodity marketing boards operating in 9 Provinces accounted for an estimated 15 percent of farm cash income in 1964. Provincial marketing boards are in operation for most important farm commodities but have been most successful with tobacco, fruit, swine, and dairy products. The Federal Agricultural Products Marketing Act, as amended in 1957, extended powers of Provincial boards to inter-Provincial and export trade.

Canada has expanded its foreign assistance to developing countries in recent years with the value estimated at 257 million dollars ($238 million) for August 1966/July 1967. It is an active member of FAO and provides agricultural experts under the United Nations Special Fund and other United Nations programs for technical assistance. Canada has extended substantial food and development aid under the Colombo Plan for Commonwealth countries in South and Southeast Asia and under programs for Commonwealth countries elsewhere.

Trade programs: The Export and Import Permits Act of 1954 authorized direct Government control over exports for national security purposes and for purity, disease control, and quality standards. Articles put on the control list because of short supply or security require export permits. This list now includes pork and pork products, regardless of destination, with some special restrictions applied to specified areas, particularly the Communist countries.

The Canadian Wheat Board exercises monopoly control over exports of wheat, barley, and oats, selling through grain exporters. The Board maintains close contact with foreign markets and is authorized to develop special promotional activities in foreign countries. Other agencies, including the Agricultural Stabilization and the Agricultural Products Boards, are authorized to export surplus commodities acquired under domestic programs through private exporters. Charters of some Provincial marketing boards also provide for export sales of surplus products.

Trade fairs and missions and other promotional activities are carried out by both Federal and Provincial Governments to develop and expand agricultural markets. Agricultural exports, particularly grains, have benefited from credit guarantees provided under the Export Credit Insurance Act, from historically low freight rates to export terminals, and from reimbursement to railways for operating losses. Subsidies are also authorized for surplus commodities under support programs which currently include the following rates in Canadian dollars per kilogram (U.S. cents per pound): Casein, 0.40 (16.8); dry skim milk, 0.07 (2.8); dry whole milk, 0.01 (4.6); evaporated and condensed milk, 0.02 (0.9); and Cheddar cheese, 0.09 (3.7).

Canada maintains an import tariff structure of 3 rate levels: British Commonwealth country rates; most-favored-nation rates, which include the United States; and general rates, which are highest and apply to all countries not in the first two categories. In 1966 about 44 percent of the value of all agricultural imports moved into Canada duty free, and the remainder averaged out to an 8 percent duty. Fresh fruits and vegetables entering Canada are subject to duties which vary according to the season imported.

Import licenses are required for wheat, oats, and barley and their products and for butter, skim milk powder, and Cheddar and Colby cheese. Except for oats during August 1961/July 1962 and butter in 1966/67, none of the above

commodities has been licensed for import. (Imports of livestock and meat into Canada are required to comply with the provisions of the Animal Contagious Diseases Act and the Meat Inspections Act and Regulations. Plant and plant products and certain other commodities imported must also conform to the regulations of the Destructive Insect and Pest Act.)

Special Canadian import preferences granted to other Commonwealth nations have provided a specific duty for milled rice equivalent to 55 percent of the most-favored-nation rates of 0.015 Canadian dollar per kilogram (0.6 U.S. cent per pound). Preferences also include duty-free entry of selected agricultural commodities from Commonwealth suppliers which have been subject to specific most-favored-nations duties expressed in Canadian dollars per kilogram (U.S. cents per pound) including: Lard, 0.039 (1.6); corn, 0.003 (.14); apples, 0.006 (0.3); flue-cured tobacco, 0.66 (27.7); and raisins, 0.07 (2.9).

In the recent Kennedy Round trade negotiations, Canadian reductions in most-favored-nation duties applied to GATT members were estimated to cover commodities representing about 50 percent of the total value of all Canadian agricultural imports from the United States. Examples of reductions in specific duties in Canadian dollars per kilogram (U.S. cents per pound) are: Fresh pork, 0.028 (1.2) to 0.011 (0.5); lard, 0.039 (1.6) to 0.022 (0.9); hops 0.22 (9.2) to 0; milled rice, 0.015 (0.6) to 0.011 (0.5); fresh apples, 0.005 (0.2) to 0; raisins, 0.07 (2.9) to 0.35 (1.5); and cut tobacco, 0.99 (41.5) to 0.88 (36.9). Reductions for commodities subject to ad valorem duties expressed in percentage of c.i.f. value include: Milling byproducts and prepared feeds, 20 to 5 percent; animal tallow, 17.5 to 10 percent; canned beef, 30 to 20 percent; and meat extract, 25 to 20 percent.

Preferential treatment granted to imports of Canadian agricultural commodities by other Hemisphere members of the British Commonwealth is reflected in the ratio of specific Commonwealth to most-favored-nation duties applied to imports from GATT countries. The ratios for selected commodities and countries include in percent: Wheat--Guyana 50 and Trinidad and Tobago 50; wheat flour--British Honduras 34, Guyana 78, and Jamaica 75; lard--Jamaica 50 and Trinidad and Tobago 27; tallow--Guyana 55; cured ham--British Honduras 50, Jamaica 50, and Trinidad and Tobago 25; and apples--Jamaica 50.

In addition to its agreements with members of the General Agreement on Tariffs and Trade (GATT), Canada maintains most-favored-nation agreements with Kuwait, Hungary, and Bulgaria. Special agreements have formed the basis for extensive grain sales to the Communist nations in recent years. The most important of these agreements have been with Mainland China, the Soviet Union, and Poland. These three agreements, extended for an additional 3 years during 1966, have been facilitated by long-term credit under the Export Credit Insurance Act. (Wilbur F. Buck)

MEXICO

Mexico since 1950 has maintained one of the highest growth rates in Latin America. Concurrently, the economy has been strengthened by strong expansion and diversification in agriculture and industry. Exports--particularly cotton, coffee, sugar, and grains--have more than doubled in value and currently

account for about 10 percent of GNP. It is expected that economic development will continue at a high level, although this may depend in part upon continued favorable world prices for exports and on a reduction in the continuing trade deficit. Maintenance of a high rate of agricultural growth also depends to some extent upon relatively high irrigation and land development costs. Mexico is faced with a continuing need to reduce underemployment in agriculture and to improve the low living levels for its large rural population.

General policies and programs: An Inter-Secretarial Commission, established in 1961, has the major responsibility for Mexican national planning. A development plan (1966-70) prepared by the Commission in 1966 was not entirely accepted but certain goals were approved: A minimum real growth rate of 6 percent per year; more emphasis on agricultural and livestock development; promotion of continued industrial growth; correction of imbalances in development and income distribution; improved social welfare; increased savings and investment; maintenance of foreign exchange stability; and avoidance of inflationary pressures. Investments in agricultural and livestock development may more than double those for 1960-64.

Mexican agricultural policies emphasize increased productivity to achieve self-sufficiency in basic food crops, continuing land development and reform programs, price and marketing assistance, and a high degree of protection against imports of agricultural products. Agricultural development is supported by research, extension, and education programs of the Secretariat of Agriculture (centered in the National Agricultural School at Chapingo); credit from a series of Government banks in addition to that available from private sources; and irrigation and land development programs of the Secretariat of Hydraulic Resources and the Department of Agrarian Affairs and Colonization (DAAC). The National Food Supply Agency (CONASUPO) administers price and market support programs to maintain an adequate food supply.

Production and marketing programs: The combined budget for the three agencies directly concerned with rural development--the Secretariat of Agriculture, the Secretariat of Hydraulic Resources, and the DAAC--increased nearly three times between 1948 and 1967 and reached 11.9 percent of the total Federal budget. Irrigation and crop development account for more than three-fourths of budget for the three agencies. In addition, the Government absorbs significant costs for subsidies related to food supply and credit programs. Colonization and Agrarian Affairs expenditures have declined and livestock improvement outlays have increased in importance during recent years.

The program of the National Institute of Agricultural Research--carried on at the national research center at Chapingo, field stations, and higher level schools of agriculture--has been particularly important in improving varieties and developing research in soil and water management and control of plant disease and pests for principal food crops, especially wheat and corn. The Rockefeller and Ford Foundations have been outstanding supporters of this research. The Secretariat of Agriculture also carried out a program for livestock improvement emphasizing breeding centers, pasture improvement, and research in animal nutrition. The national extension service, organized in 1948, operates in every State to provide support of special production programs. The national research and extension program is coordinated with and supplements work of other agencies and groups, including the agricultural banks and coffee and sugar producer groups.

Loans by Government banks, which provide an estimated 70 percent of farm credit, increased from 1,961.2 million pesos ($157 million) in 1961 to 2,596.6 million pesos ($208 million) in 1965. The National Bank of Ejido Credit makes loans to ejidatarios, members of an ejido or a communal landholding organization; the National Bank of Agricultural and Livestock Credit advances funds to small and medium-sized private farmers; and the National Agricultural and Livestock Bank discounts loans to private farmers and ejidatarios. In addition, a trust fund of the Bank of Mexico discounts agricultural loans granted by private banks, and the National Bank of Foreign Commerce promoted agricultural production for export. Agricultural credit, particularly that provided by official agencies, has been employed to encourage use of improved seeds, fertilizers, and insecticides, and otherwise support agricultural development programs.

Irrigation and land reform have long been factors in Mexican agriculture. Irrigation was principally from private development with an area of about one million hectares (2.5 million acres) when the National Irrigation Commission was established in 1926. Irrigation and development were accelerated, particularly after 1940; the irrigated area was estimated at 5.7 million hectares (14.1 million acres) in 1961 and 6.2 million hectares (15.3 million acres) in 1964. Following the revolution of 1910 land reform policies were to redistribute land to agricultural workers through grants to ejidos. In recent years, the program has emphasized colonization and settlement of new land provided by irrigation and other land development programs. The Government has announced intentions to continue these programs until all available land is distributed and to give increased emphasis to credit and technical assistance programs. The agrarian reform law restricts the maximum size of private landholdings to the equivalent of 100 hectares (247 acres) of irrigated cropland and pastureland required for 500 cattle (or the equivalent in other livestock). Almost 60 million hectares (148 million acres) have been distributed since the land reform program started in 1915, and the land distribution program is expected to be completed by 1970.

The Government has maintained guaranteed minimum prices to farmers for certain crops at various times since 1938 through purchases by CONASUPO and its predecessor agencies financed by the agricultural banks. Regular programs have been established for corn and wheat. The Government fixes the producer price for sugarcane and offers to purchase other commodities to provide temporary price stability and improve production incentives on a short-term basis. The National Coffee Institute is encouraging a shift from coffee to rubber and to citrus and tropical fruits in marginal areas.

In 1966, the guaranteed price was eliminated for corn grown in irrigated areas and was reduced to 0.8 pesos per kilogram (2.9 U.S. cents per pound) for wheat produced in irrigated areas of the Northwest. The guaranteed prices in pesos per kilogram (U.S. cents per pound) for nonirrigated corn and other wheat were maintained at previous levels of 0.94 (3.4) and 0.91 (3.3) respectively. The net price for 1966 safflowerseed was fixed at 1.45 pesos per kilogram (5.3) with black beans maintained at 1.75 pesos per kilogram (6.4).

Private enterprise is encouraged to develop marketing and processing services. These are important for cotton, sugar, fruits and vegetables, livestock and livestock products, and most oilseeds which usually move freely to

processors or export. Development of private facilities for domestic distribution of food and other basic agricultural commodities has been limited and, in many instances, has resulted in a low price to producers and a relatively high cost to consumers.

The Government maintains a purchase, storage, and distribution program to support producer prices at target levels and to maintain an adequate supply of basic food products in the principal urban centers. CONASUPO has purchased a significant proportion of the basic food crops produced in recent years, particularly wheat, corn, and beans. The National Food Storage Agency (ANDSA) maintains storage facilities, estimated at 3.9 million tons capacity, near production and consuming areas to stabilize the supply of grains and other staple food commodities. Government food distribution outlets are used to insure reasonable price levels. Operating deficits for the program constitute a subsidy, estimated at 500 million pesos ($40 million) in 1964.

Trade programs: Mexican policies emphasize expansion and diversification of exports and restriction of imports to stimulate the growth of domestic industry. Trade is subject to a high degree of regulation, although a large proportion of imports and exports move through private trade channels. Government trading is employed to maintain traditional and to encourage new exports as well as to stabilize food supply.

All Mexican exports require prior license to ensure adequate domestic supply and to ensure payment of export taxes, currently equivalent in pesos per kilogram (U.S. cents per pound) to 0.1 (0.5) for cotton and 1.9 (7) for coffee. A 2 percent surtax applies to all exports. The National Bank for Foreign Trade controls the export of surplus coffee, sugar, henequen, and candelilla wax in cooperation with respective producer groups. In recent years the Government has exported significant quantities of wheat, corn, rice, and beans purchased under its price support program, sometimes at a substantial subsidy. The Government also established an annual quota for the export of feeder cattle and meat to the United States.

Agricultural imports are controlled by a strict licensing system operated by the Ministry of Industry and Commerce to favor local production and to conserve foreign exchange. Crop, livestock, and forestry products require special permits from the Secretariat of Agriculture; the permits are usually restricted to essential products which cannot be supplied adequately from domestic production. However, CONASUPO has authority to import food commodities duty free. It has imported grains, beans, eggs, powdered milk, and other food products under its program in recent years.

The Mexican tariff is a combination of ad valorem, specific, and surcharge duties and other charges. All pedigreed animals are admitted free. As of February 1965 ad valorem equivalents of duties and related charges were estimated in percentage of c.i.f. value for selected commodities as follows: Baby chicks, 12; powdered skim milk, 22; meat extract, 57; cattle hides, 5; lard, 59; barley, 25; corn, 1; grain sorghums, 6; tobacco wrapper, 22; tobacco, filler-type, 45; and hops, 52. Special preferences given LAFTA imports are indicated by the ad valorem equivalent of duties and other charges in percentage of c.i.f. value for selected commodities: Powdered skim milk, 6; meat extract, 0; and barley, 10. An additional surtax of 3 percent of total duty value applies to all imports. (Mary S. Coyner)

Caribbean

BARBADOS

Barbados, formerly a member of the British West Indies Federation, became an independent nation in November 1966, but Commonwealth ties have been continued. The economy revolves around sugar and tourism. Satisfactory export prices for sugar have been maintained through agreements and quotas with the United Kingdom, Canada, and the United States. Serious unemployment together with the lack of skilled workers are persistent problems. Growing trade deficits are a matter of deep concern.

The Government of Barbados has as its goals higher living standards, greater industrialization, more job opportunities, and agricultural diversification to increase food output. Legislation has been passed to encourage the construction of factories, and international business firms have been offered inducements to establish their headquarters in Barbados. Tourism is actively promoted by the Barbados Development Board, hotels, and airlines. Protective tariffs apply to some manufactured items and embargoes to others. Special tax concessions are granted for industrial, commercial, scientific, and educational development.

The Agricultural Development Corporation operation of 2,500 acres of public or crown lands on the east coast of the island is intended to stimulate and encourage private enterprise in agriculture and fisheries, primarily by demonstrating how large-scale projects can be operated and new crops produced on a commercial basis. The Government Marketing Corporation provides storage and processing facilities for food crops, fish, and shrimp. It has bought and sold vegetables, fish, and shrimp and has exported yams and potatoes. The Corporation also fosters the formation of producers' cooperatives.

Barbados was an originator of the Caribbean Free Trade Area, (CARIFTA), which has not yet been implemented,and is also a signatory of the Caribbean Fats and Oils Agreement. Most sugar and sugar products are sold under the Commonwealth Sugar Agreement which is effective until 1975. In 1966 the Barbados quota and prorations in the U.S. sugar market totaled 7,000 metric tons. Barbados' exports are generally free of restrictions and levies. Import duties under the British Commonwealth tariff system range up to 50 percent of the ad valorem precentage applied to nonmember countries. The general tariff rate applies to most imports and ranges from 10 to 40 percent ad valorem, but specific duties apply to some commodities, including food, livestock, tobacco, and liquor. Duty-free imports include hatching eggs, farm supplies, and certain industrial faw materials. However, all imports are subject to a customs surcharge of 10 to 20 percent. (Wilbur F. Buck)

CUBA

The Cuban economy has continued to deteriorate and to become increasingly dependent on the Communist Bloc, particularly the Soviet Union, since the present Government seized power in 1959.

Total and per capita gross national product have continued downward due largely to a drop of about one-fourth in agricultural output. Decreased farm output brought food rationing, a decline from previously high food consumption levels to well below the Latin American average and USDA reference minimum nutritional standards, and increasing trade problems. Sugar, accounting for approximately one-half of farm production and three-fourths of total exports, has registered little gain in output. Declines in sugar trade and food output have resulted in a growing problem in meeting increased needs for food and other imports.

Overall economic goals are aimed at strengthening the Communist system of State ownership and control, maximizing self-sufficiency, and increasing integration into the Communist Bloc. Current agricultural policies include increased sugar output to step up export earnings, greater food production to permit consumption gains while lessening the need for imports, and the consolidation strengthening of the land reform system. Programs to implement these policies are carried out through several organizations, including the National Agrarian Reform Institute (INRA) with its control of state-owned farms, the Government-directed National Association of Small Farmers (ANAP) which controls private farmers, and nationalized industries which set production goals and control prices and marketing facilities.

Production goals are established for sugar and domestic food production. In earlier years efforts were made to diversify agricultural output by reducing sugar production. However, in 1965 this was changed and a sugar production goal of 10 million tons was set for 1970. With an expected 1967 crop of about 6 million tons, only slightly above the level in 5 of the last 8 years, achievement is unlikely. Continued low levels of output of corn, rice, potatoes and sweetpotatoes, and livestock products indicate even less success in efforts to increase domestic food supplies. Continuing failures reflect the lack of financing and incentives, shortages of production requisites, mismanagement, and marketing and processing problems.

The Agrarian Reform Law of 1959 abolished large privately owned estates and absentee ownership and provided for the distribution of expropriated land to peasants and workers. In practice, such land has gone to Soviet-type collectives and State farms managed by the INRA. In addition, remaining private farmers are also controlled by the INRA through the ANAP.

Cuba has bilateral trade agreements with most countries of the Communist Bloc. Exports are almost entirely sugar and sugar products, although there are some shipments of tobacco, citrus fruit, winter vegetables, and tropical fruits. The Soviet Union has an agreement to purchase 24 million tons of Cuban sugar between 1965 and 1970. Credit for the sugar is estimated to be equivalent to 6.0-6.5 cents per pound, but the real return may be considerably lower since it depends on import valuations under the agreement. Shipments were sharply reduced in 1966 under a bilateral agreement with Mainland China which provided for

an exchange of sugar for rice. About 20 percent of Cuban foreign trade takes place with non-Communist nations, principally Canada, Japan, France, and the United Kingdom. All external trade is controlled by the Ministry of Foreign Trade while actual importing and exporting is carried out by agencies established by the Ministry. (Wilbur F. Buck)

DOMINICAN REPUBLIC

The economy of the Dominican Republic is predominantly agricultural with an exceptional dependence upon sugar, which generates over half of total export earnings. A progressive rise in imports followed the revolution and the institution of constitutional government in 1961. This, with the sharp decline in sugar prices beginning in 1964, reduced monetary reserves and added to problems created by both growing political unrest and continuing low productivity. The crisis of 1965 resulted.

Since it assumed power in July 1966, the new Constitutional Government has stressed austerity in government expenditures and the conservation of foreign exchange resources. Attention has also focused upon strengthening the Secretariat of Agriculture and the Banco Agricola, two agencies most important in programs to expand output of basic crops and livestock products. Efficiency of the Government-owned sugar industry has been emphasized to stimulate output of other agricultural exports, including fruits and vegetables. However, the lack of administrative skills, a disorganized pattern of farm production and land ownership, and other legacies of the past continue to handicap economic progress.

Production programs, excluding sugar, remain small because of limited financial resources and trained personnel. However, the Secretariat of Agriculture and the Banco Agricola have both been reorganized in recent years through the financial and technical assistance of USAID and the IDB. The Secretariat has established regional offices and instituted agricultural training programs to improve research and extension services available at the farm level. The Banco Agricola has significantly expanded its agricultural loans and has recently established a supervised credit program to assist small and medium-sized farmers. The Government has undertaken a large program to rehabilitate irrigation facilities which have deteriorated in recent years. The distribution of idle lands by the Dominican Republic Agrarian Institute under the 1962 Agrarian Reform Law has been impeded by difficulties of establishing land titles and by the presence of large numbers of "squatters."

A rice stabilization program, operated by the Banco Agricola, has been continued. The attainment of self-sufficiency in rice production in 1966 is attributed to production incentives provided under this program. Additional storage facilities are being built to improve its operation and to include beans and corn. The producer price for peanuts continues to be fixed through contracts with the National Oil Processing Monopoly. The Government also has imposed controls on the retail prices of principal food items, including rice, beans, onions, peanut oil, beef, and chickens.

Current policies emphasize administrative and other reforms to lower production costs on 12 Government-owned sugar estates. These estates account for

about 60 percent of total sugar output, but their operations have contributed to heavy Government deficits in recent years. The Government has offered loans and other incentives to encourage investment to expand commercial fruit and vegetable production for the U.S. and Caribbean markets.

Exports of meat and other important food commodities are restricted to insure adequate domestic supplies. Agricultural imports are licensed and are subject to the requirement that 80 percent of estimated import duties be paid in advance for selected commodities, including edible oils, fruit and vegetable preparations, and processed meats. Specific import duties, generally ranging from 0.01 to 5 pesos per kilogram (0.45 to 227 U.S. cents per pound), are overshadowed by ad valorem duties ranging from 5 to 30 percent of c.i.f. value for most commodities. In addition, a customs surcharge of 3 percent applies to all imports. Representative specific duties in pesos per kilogram (U.S. cents per pound) as well as ad valorem duties in percent of ci.if. value are: Beans, potatoes, and onions, 0.24 (11) and 105; salad and table oils, 0.40 (18) and 75; inedible tallow, 1.50 (68) and 53; fresh fruit, 0.11 (5) and 35; canned fruit, 0.40 (18) and 60; and canned meat, 0.31 (14) and 60. Wheat is duty free, but flour is subject to a payment of 0.06 peso per kilogram (2.7). (Wilbur F. Buck)

HAITI

Haiti, one of the smallest of the Latin American countries, is extremely dependent on agriculture. Both limited availability of productive land and a low literacy rate hamper development and contribute to chronic unemployment, serious underemployment, and the lowest per capita income in the Hemisphere. Agriculture is characterized by relatively few large farm operations (sugar and sisal) and many extremely small farms producing other commodities, including coffee, the principal export crop.

Public investment and development priorities are established by the National Development and Planning Commissariat attached to the Presidency. Investment priorities are given to programs judged to be most effective in expanding output to meet domestic and export needs including: More efficient water use, increased application of fertilizers and insecticides, improved pasture and quality of cattle, and the introduction of small processing industries.

Limited financial resources and the lack of leadership and technically trained personnel have greatly restricted agricultural programs. The Ministry of Agriculture maintains a program through its National Coffee Office to improve crop quality and to extend credit and marketing assistance to coffee growers. In 1966 the Institute of Agricultural and Industrial Credit (IHCAL) initiated work toward better cultivation methods to increase yields for a variety of domestic food crops. The Institute for Agricultural and Industrial Development (IDAI) has provided assistance to improve cotton production and maintains limited marketing services to stabilize supplies of basic food crops.

More than half of all Government revenues are derived from import and export duties. There are no general export controls although many products are subject to duties and taxes. Certain processed and competitive import products are subject to licenses. Import duties are considered as average with a mean

tariff of about one-third and considerable variations between products. Two levels of duties apply--minimum levels under GATT and maximum rates which are about double the minimum. Generally, duties are either specific, usually varying from 0.05 to 35 gourdes per kilogram (0.48 to 318 U.S. cents per pound), or ad valorem, ranging from 5 to 80 percent of c.i.f. value. In addition, a 4 to 6 percent ad valorem surcharge applies to all imports with most food dutiable at 5 percent. Representative food items have duties in gourdes per kilogram (U.S. cents per pound) of 0.25 (0.6) for wheat, 0.5 (1.2 for flour, and an ad valorem duty of 16 percent for soybean oil. (Wilbur F. Buck)

JAMAICA

Sugar is the major agricultural industry in Jamaica, accounting for one-third of all exports and providing employment for 10 percent of the labor force. Jamaica is also the world's largest producer of bauxite and an important source of gypsum. Tourism and the operation of a large oil refinery are important. Jamaica has a high rate of unemployment and much of the population suffers from relatively low living standards. Partially because of the growth in tourism, large food imports are required in spite of some gains in total agricultural and food output. In recent years the value of food imports has increased and is almost equal to the value of all other imports.

After assuming independent status in 1962, Jamaica adopted a 5-year Independence Plan designed to stimulate and diversify industrial and agricultural production. The plan envisioned investments of $250 million with $35 million earmarked for agricultural development. The twin goals for agriculture were the full and efficient use of agricultural land and the improvement of the living standards for rural people. Programs were adopted to provide agricultural credit, to encourage development of processing facilities, to emphasize agricultural education and research, and to assure markets and reasonable prices for growers.

The Dairy Industry Development Scheme, approved in June 1963, and financed in part with a $3.8 million U.S. AID loan, allocates Government farmlands to new farmers, provides training in dairy husbandry, and operates demonstration farms. It also makes subsidy payments for pasture improvement, dairy equipment installation, and farm building construction. Under this scheme, over 11,000 hectares (27,181 acres) of land have been distributed. Under the Farm Loans Act, the Government guarantees loans up to 3,000 Jamaican pounds ($8,400) from commercial banks for farm expenditures. The Hill Farming Scheme shares farmers' costs for erosion control, and the Farm Mechanization Scheme provides loans for the purchase of tractors and farm machinery. Machinery pools for small farmers are also subsidized. Jamaica has received special financial and technical assistance from Canada and the United States.

Jamaica received preferential treatment for exports under the British Commonwealth preferential tariff, an arrangement which results in ad valorem rates on imports, approximately 10 percent below those for nonmember countries. Jamaica also participates in the Commonwealth Sugar Agreement where prices negotiated annually smooth out the wide fluctuations of the world sugar market. Jamaica likewise received a substantial part of the U.S. sugar quota for the West Indies. For the general import tariff, an ad valorem system prevails,

although some specific and combination rates apply. Ad valorem rates range from 15 to 20 percent of c.i.f. value. In addition, a customs surtax of either 10 or 20 percent of duty value applies to most imports. Tariff exemptions include seed, bulbs, milk, fish, wheat, feedstuffs for animals, and certain agricultural production requisites. Surtax exemptions include certain canned or fresh fish, some cereal products, potatoes, and some agricultural production supplies. Representative tariff duties in shillings per kilogram (U.S. cents per pound) include: Tobacco, unmanufactured, 11 shillings, 6 pence (73); wheat flour, 0.26 shilling (1.6); and rice, 0.66 shilling (4.2). (Wilbur F. Buck)

TRINIDAD AND TOBAGO

Agriculture in Trinidad and Tobago is overshadowed by the petroleum industry. Per capita income is the highest among Caribbean countries and the third highest in Latin America, but unemployment and underemployment persist, stemming from a predominantly rural population dominated by sugar and subsistence farm output. Although some additional land is available for development, per capita food production declined an estimated 7 percent from 1959-61 to 1962-64. As a consequence, food imports increased from 42 million Trinidad (TT) dollars in 1953 to 88 million dollars ($25 to $52 million) in 1966, adding to trade deficits.

The 1964-68 development plan emphasizes increased output to be achieved by strengthening the economic and social infrastructure and the diversification of agriculture. Agricultural programs administered by Government agencies, including the new Central Marketing Agency, aim at achieving greater self-sufficient in food production. The programs include land settlement and special assistance to farmers, production subsidies and guaranteed prices, improved marketing and processing, and protection against imports.

Government expenditures for agricultural programs increased from 10 million TT dollars in 1962 to 16 million TT dollars in 1966 ($6 to $9 million). The major increase went for special development projects, including land settlement, increased livestock and food production, improved roads, and better marketing services.

Subsidies are paid to reduce costs for farm improvements, including land preparation, the use of fertilizers and insecticides, soil conservation measures, use of improved seed and breeding stock, pasture improvement, and the control of animal diseases. An intensive land settlement project will transform 8,094 hectares (20,000 acres) of unused crown lands into farms for the production of milk, poultry, hogs, citrus fruit, and food crops. Plans are also underway to develop another 100,000 acres of presently unused crown lands.

The Government maintains guaranteed minimum prices to producers by regulating prices paid by buyers and by purchasing and marketing surplus food commodities. It also operates marketing facilities to supplement services provided by producer cooperatives and other organizations, establishes price ceilings for important food products, and encourages the development of processing industries under incentives provided by "pioneer status" laws. The guaranteed price for selected food commodities in 1966 in TT dollars per kilogram (U.S. cents per pound) were: Corn, 0.15 (4.0); red beans, 0.44 (11.8); green pigeon peas, 0.22 (5.9); peanuts, 0.44 (11.8); sweetpotatoes, 0.12 (3.2); and plantains, 0.22 (5.9).

Exports are restricted and licenses are required for live animals, coconuts and manufactures, cocoa and coffee beans, bananas, rice, seed, sugar, and eggs. Agricultural imports are licensed to conserve foreign exchange and to provide protection needed to encourage development of domestic industry. In recent years special protection has been given to the poultry and livestock industry under those regulations. Industries under "pioneer status," including recently established feed processing plants and a flour mill, are permitted duty-free imports of raw materials, tax relief on profits for 5 years, and rapid depreciation. In addition to restrictive licensing, imports are subject to specific and general or preferential British Commonwealth ad valorem duties. Many of the general tariff rates are around 25 percent, with the preferential rate about 10 percent less. Duty-free importation applies to some farm supplies, live animals, and vaccines. Preferential duties on vegetable oils and oilseeds range from 5 to 20 percent of c.i.f. value compared with the general tariff rates of 10 and 30 percent. Wheat is admitted free of duty; flour is free under the preferential schedule and subject to a duty of 0.006 TT dollar per kilogram (0.15 U.S. cent per pound) from other countries. (Wilbur F. Buck)

CARIBBEAN DEPENDENCIES

Other Caribbean islands are the British dependencies of Bermuda, the Bahamas, the Virgin Islands, St. Vincent, and Montserrat, and the "Associated States" of the Leeward and Windward Island groups, the French Departments of Martinique and Guadeloupe; and the Netherlands Antilles which has equal status with the Kingdom of The Netherlands as a "Member of the Realm."

Land area, populations, and economies of these Caribbean islands are small with agricultural output typically dependent upon one or a few crops. The two most important commodities in foreign agricultural trade, sugar and bananas, have suffered depressed prices in the world markets and periodic drought and hurricane damage. Living standards are low where agriculture is the major source of income. Rapidly increasing population and rising unemployment are persistent problems. Although petroleum, tourism, and related industries have greatly strengthened the economies of several islands, most require increasing financial assistance. All islands share the common problem of limited agricultural resources and accelerating food import needs.

In early 1967, five islands of the British Leeward and Windward groups achieved a high degree of political autonomy by becoming Associated States of the British Commonwealth. This arrangement permits them to manage their internal affairs while relying on the United Kingdom for defense and foreign representation. The new states are Antigua, Grenada, St. Kitts-Nevis-Anguilla, Dominica, and St. Lucia. St. Vincent is expected to join this group.

Economic policies generally focus on economic expansion, increased employment, and greater self-sufficiency. Principal agricultural goals are diversification and increased output to provide larger export earnings and to reduce food import needs.

Agricultural programs include specialized training for farmers, research and extension, commodity marketing boards, credit, land development, and improved marketing facilities. Inducements are offered to develop secondary

industries and new agricultural enterprises, including "tax holidays," depreciation allowances, duty-free raw material imports, and protection against competitive imports.

Trade of the British territories and Associated States is influenced by Commonwealth arrangements, including preferential tariffs and commodity agreements. Antigua, together with Barbados and Guyana, comprise the embryonic Caribbean Common Market (CARIFTA). In addition, the 13 English-speaking territories of the former British West Indies (including Guyana and British Honduras) have tentatively agreed to form a free trade area and to consider the establishment of a common external tariff. The French Government, which heavily subsidizes the economies of Guadeloupe and Martinique, assigns these Departments sugar quotas and also reserves two-thirds of the French banana market for the French West Indies. Heavy preferences favor trade with France. The oil-oriented Netherlands Antilles also grants preferences to trade with the Netherlands, but reasonably free access is given to other suppliers.

The United States continues to provide donations under the Food for Peace Program and technical and financial assistance to several of the islands. Assistance from parent countries has increased. Canadian assistance to the British islands has also increased and is expected to reach $12 million in 1966-67. (Wilbur F. Buck)

Central America

COSTA RICA

Agriculture in Costa Rica is heavily dependent on exports of coffee, bananas, sugar, and cattle. Productivity and income levels remain low on the small farms which predominate. Food production has not kept pace with the rapid rate of population growth, and trade deficits have been a continuing problem.

A National Planning Office, established in 1963 and responsible for agricultural development planning issued a revised agricultural program for 1965-68 in June 1965. The program proposed major investments for agricultural and related development, including highway construction, to increase self-sufficiency in food production, to expand agricultural exports, and subsequently to improve farm income levels. Emphasis has been given to extension and the expansion of credit to improve farm production, highway construction and settlement to open new agricultural lands, and price supports for principal farm commodities.

The Ministry of Agriculture conducts research at three experiment stations with programs for livestock and principal crops. The extension service is the oldest in Central America. The National Bank provides the principal domestic source of agricultural credit either directly or through rural credit boards, serving small farmers. This credit supports planned programs for the expansion of corn, banana, pineapple, cotton, and beef production. Increased production is also encouraged by the Land and Colonization Institute (ITCO), created in 1962. The ITCO has colonization projects in six of the seven provinces, with a settlement goal of 1,000 families each year as new roads permit opening of new land.

In 1956, the National Production Council (CNP) was reorganized with broad powers for the assistance and regulation of markets and food supply. The CNP supplies production requisites and provides some farm credit. It also purchases, stores, processes, and distributes basic food commodities. Guaranteed producer prices, announced prior to planting, were established for 1966 in colones per kilogram (U.S. cents per pound) as follows: Flint corn, 0.54 (3.7); red sorghum, 0.50 (3.4); rough rice, 0.82 to 0.93 (5.6 to 6.3); and beans, 0.87 to 0.98 (5.9 to 6.7).

Cooperative marketing is important for coffee, cocoa, sugar, tobacco, dairy, and poultry. The sugar industry is closely regulated by the Sugarcane Board, the official sales agency, while the CNP regulates the consumer price for other principal food products.

There is no general licensing system for foreign trade, but livestock exports do require permits from the Ministries of Economy and Agriculture. The CNP handles sugar exports and establishes cattle export quotas. Duties applied to exports include 0.13 colon (2) per stem for bananas and ad valorem rates for coffee and cocoa beans which vary depending on the export price level. The CNP also controls imports of essential food commodities. Tariffs on selected imports not subject to the common tariff on the CACM and including specific duties in colones per kilogram (U.S. cents per pound) as well as ad valorem duties in percent are: Wheat, free and 2; wheat flour, first grade, 0.04 (0.27) and 0; flour, other, 0.40 (2.72) and 4; tobacco, 17.96 (122) and 29; inedible tallow, 0.65 (4.45) and 10; evaporated and condensed milk, 0.67 (4.53) and 10; dried skim milk, 5.32 (36.29) and 12; and dried whole milk, 2.99 (20.41) and 12. Special exchange regulations effective January 1967 provided for imports of essential items and all CACM goods at the official rate of 6.65 colones per U.S. dollar with other imports at the free rate of 7.35-7.50 colones to the U.S. dollar. (Mary S. Coyner)

EL SALVADOR

El Salvador remains predominantly rural despite significant industrial and economic growth in recent years. Total farm output has shown strong per capita gains since the mid-1950's but remains largely oriented toward coffee and cotton. In contrast, per capita food output has declined, resulting in a sharp increase in imports. Limited land area and rapid population growth continue to result in low income and living levels for large segments of the population.

A 5-year development plan (1965-69) prepared by the National Council for Economic Planning and Coordination projects an 18 percent increase in agricultural output. However, projected investment in agriculture and related activties, estimated at 22 percent of the planned total of 1.8 billion colones ($728 million), is exceeded by the projected investment for industry. El Salvador is trying to increase use of limited land and water resources through research, extension, and special development programs of the Ministry of Agriculture and related commodity organizations, including coffee, cotton, and livestock associations. Government programs place special emphasis upon expansion of supervised credit for small farmers, improvement and settlement of existing farmlands, maintenance of price stabilization and improvement in marketing facilities.

Agriculture accounted for 8.3 percent of public investment for 1965/66 in comparison with 19.4 percent for transportation and 6.8 percent for education. Research, extension, and credit services are growing but remain small; emphasis has shifted recently from export crops to domestic food crops and livestock. The Farm Welfare Administration was organized in 1961 and supplements the National Mortgage Bank to provide a system of supervised credit for small farmers. In 1965 the Government sponsored extensive programs to demonstrate the benefits of fertilizers, improved seed, and better practices which have contributed to increased corn production. Breeding cattle and hogs are imported and technical assistance is supplied to livestock and dairy farmers.

The National Institute for Food Stabilization (IRA) maintains storage facilities for grains and beans. IRA has supported the corn market either by renting storage or by purchasing from producers at guaranteed prices fixed in colones per kilogram (U.S. cents per pound) at 0.2 (3.5) in 1966. It also has offered to purchase rice at 0.24 colon per kilogram (4.3 U.S. cents per pound). The IRA maintains a supply of powdered milk, sugar, and beans to stabilize consumer prices.

Trade within the Central American Common Market is generally free of restrictions and duties. Agricultural products traded with non-CACM countries are licensed for exchange control. Coffee exports are subject to an export duty and are regulated by the National Coffee Company, subject to quotas and regulations established by the National Coffee Department. The National Cotton Cooperative is also a marketing and export monopoly. Restrictive licensing may be applied during periods of scarcity to exports of some commodities to insure domestic supplies, including corn, rice, beans, sugar, certain oilseeds, and fats and oils, livestock, cotton, potatoes, dairy products, and henequen. Import duties for most food products have been increased under the CACM agreement, but common CACM tariffs are still pending for wheat and flour. Representative rates in specific duties of colones per kilogram (U.S. cents per pound) and ad valorem duties in percent are: Wheat, 0.10 (1.81) and 6; wheat flour, 0.12 (2.09) and 6; evaporated and condensed milk, 0.18 (3.18) and 8; dried skim milk, 0.35 (6.35) and 7; dried whole milk, 0.28 (4.99) and 7; inedible tallow, 0.08 (1.36) and 10; and tobacco, 4.75 (86.18) and 19. Breeding cattle are admitted free. (Mary S. Coyner)

GUATEMALA

During the past decade Guatemala's agriculture output has made the most rapid gains of any country in the Hemisphere and has contributed to growth in exports and national income. However, heavy dependence on the production and export of coffee, cotton, and sugar has brought increasing uncertainties. A significant trade deficit continues and per capita food consumption remains low. Guatemala faces a serious problem of improving the productivity and living levels of its large rural population.

A revised 5-year development plan (1965-69) approved by the National Economic Planning Council calls for a total investment of 1,485 million quetzales ($1,485 million) and a 3.7 percent annual increase in per capita income. Agricultural policy is designed to expand and diversify production to meet expanding food, industrial, and export needs. Programs to achieve these goals

include reorganization of the Ministry of Agriculture to strengthen research and educational services; expanded activity of the National Institute of Agrarian Transformation (INTA), the National Agrarian Bank, and other institutions for the acceleration of land settlement, crop diversification, and livestock improvement; the maintenance of effective price and market supports through the Production Development Institute (INFOP); and general support through industrial development and regulation of imports.

Agriculture accounted for 7.3 percent of planned public investments for 1965/66 including less than 1 percent to the Ministry of Agriculture. Limited agricultural research conducted at three main experiment stations is devoted principally to the testing of new crop varieties and livestock breeds with some work in plant and pest control. Educational services are provided through 30 regional extension offices.

Agricultural loans from Government and private banks increased from 22 million quetzales ($22 million) in 1960 to 50 million quetzales ($50 million) in 1965. It is estimated than an equivalent amount of credit was also available from other sources, including producer associations, exporters, and processors. A supervised credit program has been available for small farmers in recent years.

During the last 4 years INTA distributed 136,000 hectares (336,000 acres) of land, granted titles to additional land already occupied, and established and managed agricultural development zones in cooperation with other agencies. The National Economic Planning Council recently approved a 10,000-hectare (24,710 acres) citrus project on the Atlantic coast and made available 1 million quetzales ($1 million) for rubber development.

The Ministry of Agriculture requires a license to plant cotton and controls varieties of the crop and insecticides used for it. A council for coffee policy was established in 1966 to increase control over the coffee industry, including administering export quotas. INFOP minimum support prices for the 1966-crop corn ranged seasonally from 0.06 to 0.066 quetzal per kilogram (2.8 to 3.0 U.S. cents per pound). Minimum purchase prices established for millers in quetzales per kilogram (U.S. cents per pound) were: Medium grain rough rice, 0.077 to 0.087 (3.5 to 3.9); and wheat, 0.13 (6.0). Selective price controls are maintained; maximum prices for 1966 included retail price of 0.17 quetzal (17 cents) per quart for grade A raw milk and 0.99 quetzal per kilogram (45 for beef roast; and a wholesale ceiling of 0.22 quetzal per kilogram (10) for flour.

Intra-Common Market trade is generally free of tariff and nontariff trade barriers. For non-CACM trade, exports and imports are licensed for foreign exchange purposes with revenue taxes for export products currently including: Pacific coast bananas, 0.02 quetzal (2 cents) per stem; other bananas, 0.01 quetzal (1 cent) per stem; chicle, 0.11 quetzal per kilogram (5 U.S. cents per pound); cotton, 0.004 quetzal per kilogram (0.2 U.S. cents per pound); and coffee, various rates. Beef and coffee are subject to export quotas.

Imports of wheat and special permits for wheat flour are controlled by the Wheat Import Control Board. Imports of soft wheat and baby chicks are prohibited, but purebred livestock enter duty free. Import duties for other agricultural products are subject to a fixed duty plus an ad valorem rate of about 10 percent for most commodities. Fixed duties for selected commodities not

subject to uniform CACM tariffs, in quetzales per kilogram (U.S. cents per pound) and ad valorem in percent are: Wheat, 0.01 (0.45) and 10; wheat flour, 0.08 (3.63) and 10; evaporated and condensed milk, 0.07 (3.18) and 8; dried skim milk, 0.20 (9.07) and 10; dried whole milk, 0.15 (6.80) and 10; inedible tallow, 0.03 (1.36) and 10; and tobacco, 2.02 (91.63) and 19. (Mary S. Coyner)

HONDURAS

Expansion in Honduran production of principal export crops--including bananas and coffee--has supported a high rate of economic growth in recent years. However, agriculture remains underdeveloped, and a low per capita national income reflects the dependence of a large proportion of the population upon subsistence-type farm operations.

The second 5-year development plan (1965-69) of the National Development Council continues an emphasis on more intensive land use and diversified agricultural production. Programs for land development and colonization are the responsibility of the Ministry of Natural Resources and the National Agrarian Institute with education and extension services provided by the Cooperative Service for Rural Development (DESARRURAL). The National Development Bank provides credit for production, marketing, and processing of agricultural commodities and maintains minimum price guarantees to producers.

Agriculture accounted for 24 percent of planned public investment for 1965/66, second only to 35 percent for transportation. Limited research and extension programs concentrate on basic food crops and livestock. Related programs include improved seed and livestock breeds. Mechanization centers are being established to improve production practices and to increase cultivated land in key agricultural areas. Agricultural credit, currently available to about 10 percent of the farmers, is being expanded through outside financial assistance.

Progress in land settlement has been limited, but 540 families were allocated 1,400 hectares (3,459 acres) of land on the north coast in 1966. Construction of farm-to-market roads in 16 previously isolated valleys is scheduled to begin in 1967. Financing has been provided for feasibility studies in irrigation, drainage, and water resource development and in marketing and storage of principal grains.

The National Development Bank maintains limited facilities for storage and processing as part of its price support operations. Minimum 1966 producer prices for rice ranged from 0.15 to 0.20 lempira per kilogram (3.4 to 4.6 U.S. cents per pound). The Bank agreed to a purchase program with El Salvador for 14,000 tons of corn during the September-November harvest. Private investment is encouraged and has contributed to increased banana output and expanded processing facilities, including slaughterhouses, a textile mill, a cotton gin, a cigar factory, a tannery, and a starch plant. A new sugar mill and oilseed crushing plant are under construction.

Non-CACM agricultural trade is generally free of quantitative restrictions, except for certain competitive commodities. Selective export taxes include: Coffee, 0.17 lempira per kilogram (3.9 U.S. cents per pound); bananas and

plantains, 0.02 lempira (1 cent) per stem; male cattle and hogs, 2 lempiras ($1.00) per head; sheep, 1 lempira (50 cents) per head; and chickens, 0.1 lempira (5 cents) per head. Taxes for certain items, including cows and heifers, are prohibitive. Under the CACM Agreement on Equalization of Import Duties, import levies on farm products covered by the common CACM tariff were increased about 20 percent. For selected items not equalized the following fixed and ad valorem rates in lempiras per kilogram (U.S. cents per pound) as well as percent now apply: Wheat, 0.02 (0.45) and 0; wheat flour, 0.08 (1.81) and 0; evaporated and condensed milk, 0.20 (4.54) and 10; dried skim milk, 0.40 (9.07) and 10; dried whole milk, 0.30 (6.80) and 10; inedible tallow, 0.10 (2.27) and 0; and tobacco, 5 (113) and 25. (Mary S. Coyner)

NICARAGUA

Nicaragua has maintained a high rate of economic growth in recent years by expanding and diversifying agricultural output and exports. Exports--principally cotton, coffee, and livestock products--increased from 448 million cordobas ($64 million) in 1958 to 1 billion cordobas ($144 million) in 1965. However, rural incomes remain low and the failure of agriculture to keep pace with urban demand has contributed to a significant expansion in food imports.

The National Planning Office was established in 1962 to prepare a National Development Plan and to coordinate policies of principal Government agencies, including the Ministry of Agriculture, the Central Bank, the Development Institute (INFONAC), the Agrarian Reform Institute (IAN), and the National Institute of Foreign and Domestic Commerce (INCEI). The National Development Plan (1965-69), which stresses investment in agriculture and related industries, provides for a 7 percent annual increase in agricultural output through technical assistance, credit, land development and reform, price support, and marketing assistance.

Government research and extension programs remain small. The National Bank of Nicaragua is an important source of capital for private investment in agriculture and related processing industries. A significant portion of the agricultural credit is also provided through INFONAC, which is principally responsible for agricultural development. This agency has undertaken broad programs for irrigation and road development; expansion and improvement of cattle, swine, dairy, banana, and tobacco production; and the establishment of agricultural processing facilities, including milk plants and livestock slaughterhouses. Since 1964 IAN has issued 2,000 land titles and is conducting a study for a large colonization program in eastern Nicaragua. The Central Bank assists in the agricultural diversification program by restricting credit for coffee and cotton production, making more funds available for rice, bananas, and tobacco.

The National Coffee Institute regulates coffee sales under quotas established by the ICA and has, in the past, handled surplus stocks. The INCEI, established in 1960 to assist in marketing coffee and cotton, is responsible for stabilizing the market for basic food crops through its purchasing, storage, and selling operations. This agency also maintains price supports for commodities which, for 1966, were fixed in cordobas per kilogram (U.S. cents per pound) to include: Corn, 0.50 (3.2); beans, 0.78 (4.99); and rice, 0.77 (4.98).

Export taxes are levied on principal commodities in cordobas as follows: Bananas, 0.035 to 0.14 (0.5 to 2 cents) per item, coffee, 0.047 to 0.11 per kilogram (0.003 to 0.007 cents per pound); live cattle, 0.012 per kilogram (0.08 cents per pound); and boneless meat, 0.031 per kilogram (0.02 cents per pound). The CACM Agreement on Equalization of Import Duties established common external import tariffs near those in force prior to the agreement, except for reductions which include milled rice, fruit, tobacco, and lard. In tariffs for selected imports not on the common CACM list, specific duties in cordobas per kilogram (U.S. cents per pound) as well as ad valorem duties in percent are: Wheat, 0.07 (0.45) and 10; wheat flour, 0.21 (1.36) and 10; evaporated and condensed milk, 0.76 (4.90) and 10; dried skim milk, 5.60 (36.29) and 12; dried whole milk, 3.15 (20.41) and 12; inedible tallow, 0.35 (2.27) and 6; tobacco, 14 (90.72) and 19. (Mary S. Coyner)

PANAMA

The Panamanian economy has expanded rapidly in recent years, stimulated by increased revenues and wages from the Canal and by increased investment. However, the income of the majority of rural families is between 10 and 20 percent of the country's average and over two-thirds of those engaged in farming lack titles to the land.

A long-range development plan (1963-70) was completed by the National Planning Office in 1963, emphasizing the development of agriculture and related industries. Rural development has been given top priority by the Government and programs are being undertaken in six priority areas for improvement in research and extension services, increased irrigation, and better transportation and marketing facilities.

Agricultural credit is provided by the National Bank, the Economic Development Institute (IFE), and private banking institutions. An important policy goal is to provide credit to small farmers at reasonable interest rates; necessary technical assistance and a work plan goes with these loans. The Agrarian Reform Agency processed 1,900 title applications in 1966 and issued 950 titles, twice the number issued in 1965.

The IFE establishes grades and storage facilities for the basic foods, maintains buying centers, and fixed minimum producer prices, which were set at the following levels for 1966 in balboas per kilogram (U.S. cents per pound: Corn, 0.08 (3.7 at Panama City and from 0.066 (3.0 to 0.086 (3.9 in rural areas; rough rice, 0.097 to 0.13 (4.4 to 5.9); and red beans, 0.26 (11.6). There are no direct subsidies nor production controls on farm products.

Export permits from the Office of Price Regulation are required for coffee in all forms, coconuts, copra, and beef cattle. Exports of wheat flour are prohibited. Export taxes are levied at 0.02 balboas (2 cents) per stem for bananas, 1.5 balboas ($1.50) per 1,000 nuts for coconuts, and at varying rates for other animal and forestry products.

Panama's import policy uses tariff and trade controls to promote economic development. Although not a member of the CACM, Panama grants duty-free entry under a Tripartite Agreement to certain items, including some food products and

tallow, imported from Costa Rica and Nicaragua. Quantitative restrictions are placed on imports of some goods competing with domestic products. An import license is required for many fresh foods and protective import duties are imposed on many agricultural products, including the following in balboas per kilogram (U.S. cents per pound): Wheat, 0.005 (0.2); flour, 0.015 (0.7); lard, 0.2 (9.1); evaporated and condensed milk, 0.30 (13.6); and dried milk, 1.25 (57). (Mary S. Coyner)

BRITISH HONDURAS

British Honduras is strongly trade oriented, with high per capita exports of agricultural and forestry products and an even higher rate of imports of food and other consumer goods. A 7-year development plan (1964-70), based on a United Nations study, was adopted as a guide in attaining status as an independent Commonwealth nation, tentatively set before 1970.

Policy goals related to agricultural development include increased income and employment, a balanced budget and increased investment, and a satisfactory balance of trade. Agricultural programs include land development and production incentives such as price guarantees.

Agricultural and industrial investment is encouraged by the Development Finance Corporation by granting 10-year income tax exemptions and duty-free importation of capital goods. As a result, a new sugar mill is in operation and plans are underway for meat and vegetable packing plants. In the past 2 years the Government has made 8,100 hectares (20,000 acres) available for development, and in 1967 a rural land utilization ordinance imposed a tax on unused land in parcels of over 40 hectares (100 acres).

The Marketing Board establishes guaranteed producer prices for the basic food crops in advance of planting, fixes maximum wholesale and retail food prices, maintains buying centers, provides storage, and sells production requisites to farmers. Producer prices normally approximate the cost of imports which in 1965 were as follows in British Honduras dollars per kilogram (U.S. cents per pound): Rice, 0.20 (6); corn, 0.24 (8); and beans, 0.46 (14).

Exports are generally free of restrictions while imports are usually subject to Commonwealth preferences. Imports of corn, rice, and beans are controlled, and duties are high on processed and competitive items. (Mary S. Coyner)

South America

ARGENTINA

Agricultural development in Argentina in the past two decades has not been commensurate with its position as a leading world producer of grains and livestock. Policies designed to stimulate industrial development or to meet recurring domestic financial crises have inhibited both investment in agricultural capital and the application of modern technology to farming. Such policies have included the protection of domestic industry, resulting often in

high costs for farm inputs, limitations on prices for farm products, and a counterproductive tax policy. Inadequate credit, a farm tenancy system which has discouraged improvements, an inadequate agricultural educational system which has failed to supply needed specialists, a lack of attention to modern technology, and inadequate storage and transportation facilities have all contributed to restrict agricultural output. However, the new economic policy, announced in March 1967 by the military Government installed the previous June, now assigns a special importance to stabilization and economic growth in agriculture. Measures taken thus far by the Administration suggest that its program may be the most comprehensive and determined attack on the nation's economic problems in many years.

General policies and programs: The Government's anti-inflation program is the most important of a series of economic reforms required to establish a base for sustained economic progress. A key measure, the severe devaluation of the peso in March 1967, was designed to give a strong incentive to the production of export commodities. Simultaneously, the Administration relaxed import barriers, partly to reduce the cost of imported goods but primarily to create more competition as a means of stimulating industrial efficiency. It has also attacked the inflationary spiral by reducing the budget deficit, by relating wage controls to productivity, and by establishing a price control program supplemented by voluntary cooperation of large firms.

The long-range goals of the economy are to be set out in a 5-year plan to be prepared by the National Development Council for the years 1968-72. It will supersede the 1965-69 National Development Plan prepared under the former regime. The Council also plans to prepare a 10-year plan for the years 1968-77. Yearly operational plans are to be drawn up for the public sector, beginning with 1968. The reorganized Ministry of Economy has been given primary responsibility for overall economic policy, including agricultural policy as administered by the Secretariat of Agriculture.

Agricultural policy, although limited by other economic objectives, has traditionally attempted to maximize the value of exports. The new economic program assigns short-run priority to the rapid expansion of agricultural exports to support the economy while other sectors are occupied with reforms designed for long-run efficiency. Major incentives for increased production are the avowed maintenance of a realistic exchange rate and the promised gradual elimination of special taxes on agricultural exports. In the long run, increased efficiency in domestic industry should provide substantial benefits to agriculture through lowered costs. The system of incentives provided by agricultural policies are designed to stimulate and to direct the productive activities of an essentially private-enterprise farm economy with a minimum resort to direct controls.

Production and marketing programs: The price support program is used to channel production and to protect farmers from adverse price fluctuations. A one-level guaranteed price administered by the National Grain Board, in effect for many years, covered nearly all grains and oilseeds. The present two-level price support system set up in 1966 retains the guaranteed price and supplements it with a minimum price below which all trade is forbidden. The support price is ordinarily set at a level designed to maximize production incentives while keeping trade in private channels.

Announcement of price supports for the 1967/68 (November-October) harvests has been delayed. Price supports in effect for major export commodities in pesos per kilogram (U.S. cents per pound) for the 1966/67 harvests included: Wheat, 12.0 (2.5); corn, 10.0 (2.1); grain sorghum, 7.5 (1.6); sunflowerseed and flaxseed, 20.0 (4.2); soybeans, 23.0 (4.9); and peanuts, 27.0 (5.7). Prices announced for 1967/68 crop wheat are 15.0 pesos and flaxseed 25.0 pesos per kilogram (1.9 and 3.2 U.S. cents per pound, respectively).

Agricultural credit is limited generally to 6-month loans for planting and harvesting expenses. The need for medium and long-term improvement loans at reasonable interest rates has been largely unmet despite the establishment of an Agricultural Cooperative Bank capitalized at $4 million in 1965. The granting of tax credits on purchases of some farm machinery has been of some assistance.

The Argentine National Institute for Agricultural Technology (INTA), financed by an export tax on farm products, has been effective in agricultural experimentation and extension work. The Argentine Federation of Regional Societies for Agricultural Experimentation (FACREA), composed principally of large farmers, carried on a technical information program for its members which supplements that of INTA. Argentine farmers, because of naturally high soil fertility, are only beginning to see the value of fertilizer. Application rates are near the lowest in the Hemisphere. To encourage fertilizer use the Government has removed import duties and approved the construction of a large nitrogen fertilizer plant, expected to begin operation in 1968.

How to bring about the most effective land use, rather than redistribution, is the main issue in Argentine agrarian reform. The Argentine Secretary of Agriculture has proposed a tax proportionate to the potential of the land to intensify its use. About 40 percent of all farms are tenant operated, often under legal arrangements which do not provide incentives to farm improvement. The Government recently enacted a Rural Rent Law, ending the long-standing problem of frozen leases, involving about 16,000 farms.

The inefficiency of both production and milling of sugarcane in Tucuman Province has led to the only subsidy paid by the Government directly to a producer or processor of agricultural products. One of the first steps taken by the new Government was a sharp cutback in cane production, offsetting overproduction, and the closure of several of the most inefficient mills. Alternatives to cane production are being sought and may result in an increase of crops such as soybeans, tobacco, grains, and oilseeds in the Province.

The Government plays an important role in the marketing system for grains, oilseeds, and meats through the National Grain and the National Meat Boards, both of which are semiautonomous agencies operating under the general supervision of the Secretary of Agriculture. The Grain Board, which owns and operates all of the terminal storage and port facilities for grains and oilseeds and most of the interior storage, has broad powers to regulate exports and to contract foreign sales. The present Board favors leaving sales to private firms as much as possible.

The Meat Board licenses livestock and wholesale meat markets, regulates grading, conducts market research and promotion, and participates in the

formulation of Government policies affecting the livestock industry. It also regulates the timing of export shipments to prevent surpluses from driving down prices and sets minimum export prices for meat and related products. The National Cotton Board and the Sugar Agency advise on policies affecting those commodities and administer some functions delegated by the Government.

The new Government relies largely on voluntary restraints by industry in holding prices down but maintains close surveillance on the prices of such basic items as meat, milk, and bread.

Since 1963 Argentina has received $51 million from the Inter-American Development Bank to finance farm mechanization and the construction of a fertilizer plant. A $15 million loan is being negotiated with the World Bank for pasture improvement. The United States has been providing limited agricultural technical assistance to Argentina since 1957. The United Nations Food and Agriculture Organization and the Ford Foundation have also been active in providing technical assistance. Argentina has received no food aid and has supported the establishment of a world food fund, agreeing in principle to participate with limited food donations.

Trade programs: Argentine trade policy attempts to control the flow of exports and, indirectly, the volume of production by influencing the level of export earnings through manipulation of the exchange rate, official commodity valuations, and export taxes and rebates. The major control has been the export tax, or retention, and the rebate stated as a percentage of an official commodity index value. Conflict often develops between interests which would, on the one hand, set the tax at a higher level to generate revenue and those which, on the other hand, would lower the level to encourage exportation. The use of the export tax and the maintenance of an overvalued exchange rate have tended to restrain agricultural production by limiting the ability of exporters both to offer competitive prices and to pass on the benefits of favorable world prices to producers.

In recognition of this tendency, the Government abolished most export taxes by November 1966 and devalued the peso by 40 percent in March 1967. However, the Government declared the temporary reinstitution of export taxes at the time of the devaluation to offset windfall profits to holders of agricultural stocks. The rates were set at 25 percent for most grains and vegetable oils, oilseeds, live animals, meat, greasy wool, and raw hides and skins; 16 percent for rice, tung and olive oils, fresh and dried fruits, processed meat, dairy products, and tanned hides and skins; and were eliminated for a number of processed agricultural products. Rebates were entirely abolished in 1967 on the assumption that a favorable exchange rate would provide equal or greater incentive to production and exports.

Argentine import policy has been directed toward the protection of domestic industry and the conservation of foreign exchange. Restrictions on the importation of agricultural products are generally quite severe, reflecting Argentine self-sufficiency in nearly all but a few tropical agricultural products. Import or exchange licenses are not required except for a few prohibited industrial items. No nontariff restrictions are in force for agricultural imports, except for the 40 percent prior deposit generally required on all goods and certain health and sanitary regulations.

The primary instrument of protection is the import tariff which, since conversion to the Standard Brussels Nomenclature in 1966, consists of a single ad valorem duty. Recent tariff cuts have reportedly reduced maximum duties from 325 to 140 percent and reduced the average tariff from nearly 120 to 70 percent. Further reductions are expected. Rates are highest for final products, particularly competitive items, finished products, and semimanufactures. They are lowest for raw materials, whether or not domestically produced. Imports of capital goods are subject to special requirements. Recent reductions included certified seed potatoes and grain sorghum seeds from 20 to 5 percent; hops from 140 to 50 percent; eggs and potatoes for table use and tobacco, from 175, 180, and 220, respectively, to 70 percent.

Substantial sales on a Government-arranged basis of wheat have been made in recent years to Brazil, the USSR, and Communist China. Similar sales of meat have been made to Spain. All were on a short-term basis except for wheat to Brazil which involved a sales agreement for at least 1 million tons annually from 1965 to 1967. (Richard M. Kennedy)

BOLIVIA

The Bolivian economy continues to rely heavily on minerals, particularly tin. Recovery in mineral output and prices, petroleum development, and increases in agricultural production have stimulated growth of the economy in recent years. The development of new lands in the Andean valleys and in the Santa Cruz region east of the Andes has advanced agriculture. Migration to these areas has stimulated the expansion in agricultural output, particularly of rice and sugar. However, subsistence-type agriculture of the heavily populated highland region continues to lag, with the result that rural living standards and general food consumption levels remain low.

The National Planning Board's 10-year development plan (1961-70) aims at financial stability with an annual growth of 8 percent in GNP. A major goal is to integrate the large subsistence-level rural population into the market economy. The settlement and development of new lands and the strengthening of research, extension, and service institutions are to be encouraged. However, integrated programs for production, marketing and processing of crops and livestock are to be emphasized. Implementation of agricultural policies is the responsibility of the Ministry of Agriculture, the Bolivian Development Corporation (CBF), and the Agricultural Bank of Bolivia (BAB).

Research, extension, and credit services, though expanded in recent years, have remained very inadequate, limited both in financial resources and trained personnel. However, they have provided support for settlement and other programs, resulting in expanded output, particularly rice and sugar. Assistance to rice producers has been provided through the purchase and marketing operations of the National Rice Marketing Committee (CONCA).

Special credit and marketing programs, maintained for sugar, are being developed to encourage processing of wool, hair, and other livestock products in the highland plateau region (altiplano), cereal grains in the central valleys, and fruits in the tropical valleys. Potato production continues to receive attention in all but the tropical regions.

Bolivian agricultural exports are licensed and subject to taxes or "royalties," which range from a high of 30 percent for hides of cattle, horses, mules, and calf skins to a low of 1 percent for various fruits and cocoa beans. An import permit also is required for agricultural products. The Bolivian tariff provides ad valorem duties for most agricultural products with occasional specific duties. The ad valorem equivalent of duties for nonessential or competing items, including processed agricultural products, ranges from 30 to 80 percent; a rate of 10 percent applies to most agricultural commodities. (Samuel O. Ruff)

BRAZIL

Economic growth in Brazil for most of the post-World War II period has been among the highest in the hemisphere. Large gold and foreign exchange reserves following the war, success of industrialization policies in the early 1950's, steady growth in agricultural output, and generally favorable export prices until the mid-1950's sustained a high rate of growth.

Lagging exports and falling export prices after 1954 were accompanied by steadily reduced gold and foreign exchange reserves and continuing increases in foreign indebtedness. The rate of economic growth, about 6 percent through 1962, skidded to a little more than 1 percent in 1963. Inflation, fed by progressively larger budget deficits and money supplies, increased from an annual rate of about 10 percent in 1950 to an unmanageable 80 percent in 1963. Deepening political and social strains resulted concurrently from rapid urbanization, the continuing concentration of economic growth in the East and South, spiraling living costs, worsening chronic unemployment and underemployment, and an increasing number of manifold but ineffective economic controls.

The impending crisis came to a head in early 1964. A military takeover in April forced the President to leave the country and provided for the election of a new chief executive with extraordinary powers to cope with the political and economic impasse. The 1964 Government embarked on a stabilization program which has been continued by the present Administration which took office in 1967. While economic growth reached a postwar low in 1964, it rebounded sharply in 1965 but slackened in 1966. Since 1964, the rate of inflation has been cut in half, gold and foreign exchange reserves have nearly doubled, budget deficits have been greatly reduced, and many economic controls have been simplified or eliminated. While these developments are impressive, most of the underlying problems remain, and continuing strong efforts will be required for economic recovery.

General policies and programs: Brazilian policy and planning activities are coordinated by the Ministry of Planning, established in 1964. Basic agricultural policies are developed in cooperation with other ministries and independent agencies concerned with agricultural production, trade, and food supply. Since mid-1964, primary goals have been to stem inflation and to reactivate growth forces as a basis for long-run expansion of the economy. Policies have included the liberalization of the trade and foreign exchange system to strengthen the balance of payments, a reduction of fiscal and monetary deficits, and the elimination of price controls to improve allocation of resources and investment decisions. A 10-year development plan (1967-76) is being prepared to provide investment and growth targets and related programs for agriculture and other economic sectors.

Current agricultural policies emphasize increasingly that agriculture is essential to economic stabilization and recovery. Agricultural policies provide incentives to maintain and increase output, to reduce coffee and sugar export surpluses, and to diversify exports. The major programs implementing those policies cover expanded research, credit, and educational services for farm improvement; the settlement of new areas and the use of tax reform to expand and improve land uses; increased and more effective price supports, subsidies to expand the use of fertilizer and to encourage production shifts from surplus to needed crops; and liberalized trade controls to stimulate exports and to facilitate needed imports.

General technical support for agriculture is provided by research and extension services of the Federal and State Ministries of Agriculture, supplemented by operations of the Brazilian Land Reform Institute (IBRA) and various semiautonomous organizations, including the Brazilian Coffee Institute (IBS), the Sugar and Alcohol Institute (IAA), and the Rice Institute of Rio Grande do Sul (IRGA). The National Superintendency of Supply (SUNAB), which includes representatives from key ministries, sets and administers price supports and controls for food products, provides necessary storage, and exercises monopoly import powers to assure domestic supplies. The Central Bank of Brazil provides the financial support for farm prices and credit programs and cooperates with the National Trade Council (CONCEX) in implementing foreign trade policy.

Production and marketing programs: Government support for agriculture increased after 1964 but was still estimated at less than 5 percent of the total Federal economic assistance in 1966. Benefits of agricultural research conducted by State governments, autonomous agencies, and six research institutes and 42 field stations operated by the Ministry of Agriculture are usually the applied type with major emphasis upon export crops. Since 1962, increased emphasis has been given to training research and extension specialists and to expanding the scope and coverage of the Brazilian Association for Credit and Rural Assistance (ABCAR), operative in 17 of the 26 states and territories. Emphasis has also been given to training rural leaders to increase production of corn, rice, fruits, cotton, potatoes, and livestock products.

Prior to 1962, the Bank of Brazil provided about 80 percent of total bank credit available to agriculture. The remainder was provided by private and State banks. Total bank credit, principally short term, was estimated to serve less than 12 percent of all farmers at that time. The agricultural credit system was strengthened in 1965 with enactment of legislation for an expansion of medium and long-term loans under a system to provide resources for commercial, supervised, and cooperative credit programs and to finance price support and agrarian reform programs. The new credit program is administered by a subdivision of the Central Bank. With additional capital provided by U.S. loans, an estimated 25 percent of all farmers received loans in 1966.

Brazil's first national agrarian reform law, enacted in 1964, emphasized the settlement of new lands, the expropriation and repurchase of land for redistribution, and tax reform to encourage more intensive land use. A recently completed national cadastral survey provides a basis for assessments for the new tax law. It also provided the basis for issuing 5,000 titles to Government lands and lands obtained from voluntary sale in 1966.

Opening of new lands on the western frontier is to be encouraged through soil surveys and land development. However, four areas near either present or prospective population centers have been given priority for intensive development under the agrarian reform program: The northeast sugar zone of Pernambuco and Paraiba; the Federal District at Brasília and adjoining areas in the states of Goias and Matto Grosso; the states of Rio de Janeiro, Guanabara, and adjacent areas in the states of Minas Gerais and São Paulo; and the state of Rio Grande do Sul.

Support and development programs are complemented by price and other incentives to improve the use of agricultural resources. The price support system was revised in 1965, expanding the commodity coverage and increasing the effective price level of basic food relative to export crops. The program to remove coffee trees and diversify production of coffee lands was also expanded in August 1966, and the Government established a special subsidy to stimulate the use of fertilizers on basic food and feed crops.

A price support program for farm commodities has been in force for some time. With a few exceptions, such as coffee, it was not significantly implemented before 1965 when the Government purchased one-third of the rice crop and a small but significant portion of other staple food crops. The current support program, announced before the planting season started in August 1966, provides an option of nonrecourse loans or direct Government purchase. In real terms, price support levels for the basic food crops were generally maintained or increased compared with a reduction for coffee. Representative support prices for 1966/67 crops for the southern area were announced as follows in cruzeiros per kilogram (U.S. cents per pound): Corn, dent, 100 (2.1); rice, rough, long grain 175 (3.6); wheat, 265 (5.5); beans, 300 (6.2) soybeans, 145 (3.0); peanuts, small, 217 (4.5); and cotton, 1.10 to 1.18 inch, 875 (18).

The objective of the coffee eradication and diversification program, first initiated in 1962, is a reduction of 5 million bags in annual coffee production and a shift to other crops. Coffee producers who agree to substitute other crops and remove a minimum of 15 percent of their coffee trees are eligible for payments of 260 to 500 cruzeiros (12 to 23) per tree removed, the actual payment depending upon percantage of the land diversified and its location. Producers also are eligible for loans at attractive rates to plant selected crops, including cereal grains, oilseeds, fruits, beans, cotton, forage crops, and tobacco. The Government allocated 150 billion cruzeiros ($68 million) to the program for 1966/67. By March 1967, growers had contracted for the removal of 625 million coffee trees. However, recent increases in price supports to coffee producers may pose a serious threat to the continued success of this program.

The Government fertilizer program provides interest-free credit for fertilizers during the growing period for crops plus 45 days. This provides an estimated subsidy of 15 to 20 percent of the crop value, depending upon the crop and growing period. The Government also has taken action to stimulate fertilizer imports and has contracted with a petroleum firm to undertake fertilizer production, providing an initial subsidy for operation.

Brazil has traditionally encouraged private industry, including processors and exporters, to provide marketing facilities and services for many commodities.

It has also established and utilized semiautonomous Government organizations for marketing of individual commodities, including coffee, sugar, rice, and cocoa. SUNAB has broad powers to develop and maintain adequate food supplies, including the development of storage and marketing services, price administration and control, and monopoly powers for imports. Fixed ceilings were applied to many agricultural products to maintain low food prices, particularly after 1960.

Retail price controls were eliminated for many food products after 1964 with a significant rise permitted for others. Various degrees of price control have continued for coffee, bread, sugar, milk, and other livestock products. As a substitute for direct price controls, the Government has instituted informal agreements with industry to maintain reasonable price levels. The Government will also utilize stocks and imports for price control.

Close cooperation and assistance from the United States and international agencies remain important to agricultural development. U.S. assistance in development grants have included 23 percent for agriculture. The International Bank for Reconstruction and Development is presently considering two large agricultural and development loans, one for livestock and another for marketing. The Interamerican Development Bank is providing $20 million for agricultural credit.

<u>Foreign trade programs</u>: Exchange controls in the regulation of foreign trade have been more important in the past than tariffs. Recent changes have given more prominence to tariffs and simplified and liberalized trade.

Licenses are required for exports, and SUNAB regulates shipments of principal food commodities to assure domestic supplies. Exports of certain commodities, such as coffee and sugar, are subject to regulations of semiautonomous trade associations. Other export controls include quotas, levies, and foreign exchange controls. CONCEX, established by an executive decree in 1966, is charged with increasing exports by simplifying procedures and making exports more competitive in foreign markets.

Under former exchange and tariff regulations, commodities fell into one of two import categories, general or special. Essential commodities were listed under general, and all others fell into the special category. All imports were subject to a complex requirement of a certificate of exchange cover which added as much as 20 percent to import costs and required considerable paperwork. In addition, the purchase of a promise of license was required for items in the special category, including most processed and competitive farm commodities, which approximately doubled the cost of such imports. In September 1966 this system was changed by abolishing the certificate of exchange cover. In addition, the reported transfer of all items in the special to the general category in the period January 1966 through February 1967 eliminated the promise of license. These changes could reduce import costs by as much as one-half.

Recent tariff changes have reportedly reduced the maximum ad valorem rate from 150 to 100 percent, although surcharges of 6 percent of c.i.f. value plus 10 percent of net ocean freight apparently remain. Reports also indicate that tariff rates for 1,700 tariff items were reduced by an average of one-third, rates of 380 items were increased, and rates for the remainder of 4,620 are

unchanged. Reported new ad valorem rates for selected agricultural commodities are: Breeding animals and certain planting materials, free; dry milk, 28 percent; rendered tallow, 50 percent; fresh apples and pears, 32 percent; wheat, 40 percent; barley and malt, 10 percent; crude soybean oil, 40 percent. Imports are subject to other charges equivalent to about 6 percent of c.i.f. value. Ad valorem duties for LAFTA countries are 32 percent for tallow and 40 percent for soybean oil with other specified commodities imported duty free with other charges estimated at 1 percent. Duty-free imports of 750,000 tons of wheat, previously negotiated under GATT, but eliminated as a result of trade program changes, are expected to be reinstated. In addition, wheat has been exempted from duties, with the Government being the sole importer. Also, import duty exemptions apply to certain capital goods, public service materials, parts not available locally, re-export items, and some imports by Government, semiofficial Government, and related agencies.

The full effect of recent changes in trade policy, including the impact on LAFTA preferences, is not clear in view of their newness. Certain provisions could counter the apparent liberalization. Such provisions include authority to change tariff rates, to establish minimum dutiable values for imports, and to implement other compensatory mechanisms, such as the imposition of specific duties in addition to ad valorem duties. (Samuel O. Ruff)

CHILE

The Chilean economy is oriented to minerals and a highly protected consumer goods industry. Agricultural output has not kept pace with population growth; the average per capita output declined 8 percent between 1957-59 and 1964-66. Agricultural imports expanded from $59 million in 1959 to an estimated $150 million in 1965 when they approximated one-fourth of all imports. Agricultural lags have contributed to chronic foreign exchange deficits and a high rate of inflation.

Worsening economic problems were a major factor in the election of the present Government in 1964. Subsequently, the economy has benefited from the development of a flexible exchange rate policy and improved prices for copper. However, a higher priority for agricultural development is considered necessary to control inflation, to conserve scarce foreign exchange resources, to improve income distribution, and to achieve a satisfactory economic growth rate.

The National Planning Office (ODEPLAN) is expected to release a 5-year National Development Plan (1967-71) in late 1967 to replace the present 10-year plan (1961-70). The new plan calls for a 5 to 6 percent average annual increase in gross domestic product to be achieved largely through expansion in mining and industry. Successful financing of foreign exchange costs of the plan is dependent upon expanding agricultural output at an average annual rate of 6 percent.

The policy for attaining the agricultural goal calls for higher farm prices, expanded crop acreage, and increased incentives through agrarian reform. The major programs to support this policy include irrigation, drainage, and pasture improvement to expand cropland by 30,000 hectares (74,000 acres) annually through 1971; expanded marketing, storage, and processing services with special emphasis upon seeds, sugar, fruit, and livestock; and a land reform program to

expropriate inefficiently operated large estates and to resettle upwards of 60,000 farm families.

The principal agencies responsible for administering the development programs include the Ministry of Agriculture through the Directorate General of Agriculture, the Agrarian Reform Corporation (CORA), and the Agricultural Development Institute (INDAP), the Chilean Development Corporation (CORFO), and the State Bank. The National Marketing Agency (ECA) administers price programs and is responsible for maintaining an adequate food supply.

Production and marketing programs: Adequate technology for most agricultural purposes exists in Chile, but a shortage of trained personnel and financial resources has seriously limited extension and educational work. Expansion in these activities takes high priority in Chilean development plans. CORFO and the State Bank have increased short-term credit available for seeds, fertilizers, and breeding animals, but long-term loans for farm improvement remain limited. A modest, supervised credit program for small farmers is maintained by the Ministry of Agriculture.

Implementation of Chile's land reform program is expected to accelerate under the basic reform law which became effective July 16, 1967. The law provides for Government expropriation and purchase of land in farms exceeding 80 irrigated hectares (198 acres) or its equivalent in size. Vineyards, forest lands, nonarable lands are not affected. Exemptions are granted farms of up to 320 irrigated hectares (791 acres) or the equivalent when they meet specified technical and social requirements, with an added 80 hectares (198 acres) reserved for nonproductive use. Payment for expropriated lands will be 10 percent cash and the remainder in bonds which may be adjusted by 70 percent for inflation. Farmers will be given 3 years to improve productivity of underutilized lands.

The Government hopes to prevent a decline in production on appropriated lands during initial stages of resettlement by employment of the "assentamiento" technique. Assentamientos are groups of farmers which operate under Government supervision during a trial period. They are given credit, management assistance, and an opportunity to show their capacity before being granted landownership. The Government has legalized and is encouraging the formation of rural labor unions as a means of increasing the income of farmworkers.

Producer prices for most agricultural products are guaranteed through purchase and storage operations of ECA and private trade monopolies, although these prices have often not been known sufficiently in advance of planting to provide an incentive for increased production. Support prices in escudos per kilogram (U.S. cents per pound) set by ECA as of January 1967 included: Soft wheat, 0.352 (3.7) and potatoes, 0.238 (2.5). Processors also guarantee prices to producers for other commodities, such as oilseeds, computed as a fixed percentage of the support price for wheat. The cost of fertilizers, pesticides, rail transportation, and storage is generally high but is reduced somewhat to Chilean farmers by various forms of subsidies.

Maximum wholesale and retail prices are established for "items of prime necessity," including most agricultural products. The Government tends to give first priority to its anti-inflationary program so that farm prices have not

always provided adequate production incentives. Nevertheless, real agricultural prices were estimated to have risen 19 percent in 1965 and 6 percent in 1966 since the inception of the Government's policy of permitting a more rapid rise in farm prices than in other prices.

Trade programs: To insure adequate domestic supplies, the Government has established export prohibitions and quotas for agricultural products in short supply. Nearly all significant commodities are covered, except for wool, fruits, and most vegetables. Export rebates are granted primarily to encourage nontraditional agricultural exports, mainly fresh and processed fruits and vegetables.

A new import tariff installed in January 1967 simplified the system of duties, surcharges, import deposits, and other restrictions but continues to afford a high degree of protection to agriculture. The new tariff consists of a relatively moderate specific rate plus an ad valorem surcharge which may run as high as 1,000 percent. The surcharges for wheat, rice, and dry beans are 35, 45, and 200 percent, respectively. As of February 1965, preferences provided by concessions to other LAFTA countries, in percent of the ad valorem equivalent for regular duties and import charges, were estimated to include: Wheat, 40 percent; vegetable oils, 32-67 percent; lard, 46 percent; and inedible tallow, 68 percent. However, the above import reductions are largely academic since many items such as wheat, rice, potatoes, dairy products, beef, and poultry are imported by the ECA and are therefore exempt from all import duties except for a 1 percent surcharge applied to both LAFTA and non-LAFTA imports. Consumer purchases in many cases are subsidized by the ECA's sale of such products in the domestic market at less than import costs.

In addition to the special trading arrangements of LAFTA, Chile has augmented its agricultural products in short supply in recent years by substantial purchases under U.S. Public Law 480 programs which have included wheat, corn, dry milk, anhydrous milkfat, butteroil, cotton, and tobacco. (Richard M. Kennedy)

COLOMBIA

The rate of increase in minerals and industrial production in Colombia was more than double that in agricultural output from 1958 to 1965. The lag in agriculture contributes to the problem of supplying growing urban demand and reflects the lack of production incentives, inadequate transportation and marketing services, and problems in farm organization. Partly as the result of a weakening in world prices, foreign exchange earnings from coffee and other agricultural exports have not been adequate to meet increased import needs. Economic development has been restricted by recurring trade deficits and resulting foreign exchange and monetary deficits.

The National Planning Office (PLANEASION) coordinates planning activities in cooperation with key ministries. The first national development plan was completed in 1962 and established a goal of 5.6 percent for annual growth in national income through 1970. A new 10-year development plan (1967-76) is under preparation. General policies emphasize the need for increased productivity in agriculture and industry to meet domestic demand, to diversify exports, to expand employment opportunities, and to improve income distribution.

Agricultural policy goals stress self-sufficiency of production, diversification of exports, land development, and improvement in the land tenure system to improve the trade balance and to raise rural living standards. These goals are to be achieved through export promotion and regulation of imports; research, extension, and credit programs of the Ministry of Agriculture and Agricultural Bank; land settlement and development programs of the National Institute for Agrarian Reform (INCORA); and price support and marketing programs of the National Institute for Food Supply (INA), as well as the programs of other semiofficial organizations including the National Coffee Growers Federation and the Cotton Federation.

Production and marketing programs: Government expenditures for agricultural programs increased to approximately 8 percent of the total Colombian Federal budget in 1966 with a significant expansion in agricultural research funds. Extension, credit, and marketing services are provided by Governmental departments; semiautonomous and private agencies supplement Government programs significantly. In the past, these programs have been uncoordinated and often restricted by the lack of financial resources and trained personnel.

The National Agricultural Research Institute (ICA) has been established as a semiautonomous agency under the Ministry of Agriculture. A training program, supported by the Rockefeller Foundation, has developed strong research competence in plant breeding, entomology, plant pathology, and animal science. Some increase in emphasis has been given to agricultural education at college and secondary levels, and there are an estimated 2,500 persons engaged in extension activities. Sources of agricultural credit were increased by a 1966 resolution authorizing the Bank of the Republic to establish an agricultural development fund for financing the directed or supervised credit programs of other institutions. According to a recent survey, about 45 percent of all farm enterprises receive loans, 77 percent of which are classified as short term. Coffee accounted for 19 percent and livestock 49 percent of the value of all loans.

The Agrarian Reform Law of 1961 centralized responsibility for land settlement and redistribution, improved farm organization and productivity, and raised the living levels of the rural population. Since 1961, land titles have been granted to 33,000 families for 1.3 million hectares (3.2 million acres) under a directed settlement program. Based upon soils studies, the Government has approved a broad program for reclamation, irrigation, and flood control to bring 3 million hectares (7.4 million acres) of land into cultivation.

Production for basic food and export crops is encouraged through price supports; prices for domestic crops are usually kept above prevailing world levels. Support prices for 1966 in pesos per kilogram (U.S. cents per pound) were: Rough rice and wheat, 1.7 (5.7); corn, 1.0 (3.4); barley, 1.5 (5.0); beans, 3.6 (12.1); cottonseed, 1.0 (3.5); sesameseed, 2.9 (9.7); soybeans, 1.5 (4.9); middling cotton, 8.6 (28.6); and coffee, 6.1 (20.5).

Semiautonomous and private organizations maintain relatively efficient marketing systems for selected commodities, including coffee, sugar, cotton, rice, and barley. The Government purchases and distributes basic food commodities to hold retail prices at reasonable levels, but efforts have been handicapped by inadequate financial resources and storage facilities. Two dairy marketing cooperatives have been organized in the coastal city of Barranquilla, and marketing

cooperatives are being sponsored as part of the land settlement program. The inadequacy of the transportation and marketing systems is an important restriction to agricultural development.

Most of the outside assistance to Colombian agriculture has been provided by the United States. From 1953 to 1962, technical assistance was provided through a cooperative institution, the Colombian-American Technical Agricultural Service (STACA). Subsequent support has been given in loans granted by the U.S. Agency for International Development to the Agrarian Reform program for supervised credit and to the Livestock Bank for development of the livestock industry, technical assistance, and agricultural education. Colombia has also received financial assistance from the IBRD and the IDB for livestock improvement and agricultural credit. The Rockefeller Foundation provides both technical and financial support for research.

Trade programs: Exports must be registered and may be restricted to assure domestic supplies, but few quantitative controls usually apply. A new Foreign Exchange and Trade Statute, adopted in March 1967, replaced the special exchange rate for coffee exports of 9.94 pesos per U.S. dollar with the same rate which applies to other exports. However, since that time, variable exchange rates have been reintroduced. A 24.25 percent tax is presently assessed on coffee exports to help finance the national coffee fund and to promote crop diversification in the coffee region. However, this tax is expected to be reduced during the next few years.

Under the new law, the Government plans to establish an export promotion fund to stimulate and, if necessary, to subsidize exports. The fund will be partially financed by a 1.5 percent tax on imports except those from LAFTA and Government sources. Colombia uses a special compensation agreement which grants import licenses based upon the availability of a country's credits from export commodities, particularly coffee.

Imports are licensed and prior deposits are required, ranging up to 130 percent of the c.i.f. value. Designated products which may be licensed currently include breeding animals, plant materials and seeds, wheat and flour, barley, oats, malt, copra and industrial oilseeds, soybean oil, animal tallow, meat extract, cocoa, rubber, and wool. Import tariffs are mostly ad valorem, but some specific duties apply. Duties reach 200 percent for some competitive agricultural products. In 1966, representative ad valorem duties, in percentage of c.i.f. value, were: Wheat, 30; barley and oats, 35; denaturalized tallow, 25; raw soybean oil, 40; apples, 100; light leafed cigarettes, 100; and cotton, 25. Customs surcharges of 3 percent of f.o.b. value also apply; additional Federal and municipal taxes are levied on certain commodities. Members of LAFTA are granted preferences with ad valorem duties, in percentage of c.i.f. value including wheat, 20; crude tallow, 13; and apples, 80.

Colombia has bilateral trade agreements with Bulgaria, Denmark, East Germany, Finland, Poland, Rumania, Spain, and Yugoslavia. Special concessions have been granted to LAFTA countries for over 200 agricultural commodities, including exemptions from prohibited lists and advance deposits as well as either reductions in specific or ad valorem duties, or both. (Gae A. Bennett)

Ecuador is heavily dependent upon agricultural exports, particularly bananas. Low productivity and living standards characterize most of the country's large rural population. Declining export prices have resulted in serious trade and monetary deficits since 1965 and have accented the need for diversification in agriculture.

A 5-year national development plan (1964-68) established a goal of 3.5 percent annual growth in per capita GNP. Agricultural income is to be increased by more than one-fourth and livestock production by 40 percent to achieve greater self-sufficiency and higher food consumption levels. Agricultural programs of the Ministry of Agriculture and Livestock, the National Development Bank, and the Institute for Agrarian Reform and Colonization emphasize research and education, supervised credit, agrarian reform and settlement programs for small farmers, and a shift of marginal coffee and banana lands into other crops.

Government research and technical assistance programs are supplemented by those of semiautonomous agencies for principal commodities, including bananas, coffee, cocoa, wheat, rice, cotton, and livestock. These and other regional and special development programs are coordinated by the Ministry of Agriculture and Livestock in cooperation with the National Planning Board. A major regional development program is underway for the Guayas Basin. Current estimates indicate that 26,000 land titles covering 400,000 hectares (988,000 acres) of land have been granted under the 1964 Agrarian Reform law. Availability of agricultural credit has been expanded, aided by the establishment of the Cooperative Bank in 1965.

Commodity commissions maintain producer prices for wheat, rice, oilseeds, coffee, and cotton at levels established by the Government. Prices set for 1967 output in sucres per kilogram (U.S. cents per pound) were: Wheat, 1.36 to 1.48 (3.4 to 3.7); rice, 2.2 to 2.6 (5.5 to 6.5); peanuts, 3.2 (8.1) sesameseed, 3.7 (9.2); soybeans, 2.0 (4.9); and cotton 10.2 to 12.0 (25.5 to 30.0). Agricultural prices are also influenced by Ministry of Industries and Commerce purchases of agricultural commodities to supply public relief food stores.

Foreign trade is conducted principally by private firms, subject to licensing and other controls. Ad valorem duties assessed on principal exports in percentage of export value are: Bananas, 21.4; coffee, 11.4-11.6; cocoa beans, 10; and sugar, 0.0075. A subsidy is usually granted by the Development Bank on rice exports.

Import tariffs combine specific and ad valorem duties for a high degree of protection. As of February 1965, the estimated ad valorem equivalent of duties in percentage of c.i.f. value, were: Wheat, 9; edible vegetable oils, 35 to 77; hydrogenated oils, 41; apples and pears, 72; raisins, 67; tallow, 23; and cotton, 18. Preferences granted to LAFTA members are reflected in the estimated ad valorem equivalent of duties including: Hydrogenated oils, 6; tallow, 10; and duty-free entry for fresh apples and pears, raisins, and cotton. Essential, or Category I, commodities--including wheat, oilseeds, hops, barley, oats, and wool--are subject to a prior deposit of 35 percent of import value; Category II, or less essential, imports are subject to prior deposits up to 140 percent. Certain luxury and competitive imports are prohibited. In addition, customs

surcharges of 10 and 20 percent, respectively, are levied on Category I and II items. Annual quotas are also established for imports of wheat, cotton, and fats and oils.

Ecuador has developed special clearing or payments agreements with East Germany, Poland, and Czechoslovakia and has expressed an interest in similar agreements with other Communist Bloc countries. (Gae A. Bennett)

GUYANA

Guyana, which assumed the status of an independent British Commonwealth nation in 1966, is dependent upon production and exports of bauxite, sugarcane, and rice. Limited industrial and agricultural development has resulted in unemployment and heavy dependence upon imports of food and other products. Surplus sugar and rice production are serious problems.

The 7-year development plan (1966-72) calls for a 6 percent annual increase in GNP and total investments of 290 million Guyanese dollars ($169 million) of which 40 million ($23 million) is for the expansion and diversification of agricultural production. Priorities are given to education, technical assistance, roads, and land development. Rice and livestock production are to receive special attention. The Guyana Development Corporation is principally responsible for agricultural development, supported by the Ministry of Agriculture, the Guyana Credit Corporation, and the Rice Marketing Board.

Technical assistance to farmers includes the introduction of plants and animals better suited to the area and the demonstration of improved farm practices, including the use of fertilizers. The Government has strengthened the program to improve rural education. The development plan provides for improvement of farm-to-market roads and a dam for the protection of 40.469 hectares (100,000 acres) of land against flooding.

The Rice Marketing Board operates as a monopoly and has encouraged a growing surplus by maintaining producer prices above world price levels. However, to promote diversification and reduce costly export subsidies, 1967 producer prices were reduced to range from 0.196 to 0.219 Guyana dollar per kilogram (5.2 to 5.8 U.S. cents per pound). The sugar industry also operates as a monopoly and faces similar price and surplus problems. Prices for other crops, such as corn, peas, bananas and plantains, sweetpotatoes, and cassava, are supported to some extent through limited purchase and storage operations of the Guyana Marketing Corporation.

Licenses are required for principal agricultural exports--cattle, swine, poultry, beef, pork, rice, coconuts and coconut oil, coffee, and sugar. Export taxes of 1.5 percent apply to nonmanufactured items and to some other items, such as bauxite, and unrefined cane sugar. Export subsidies are used as necessary and have been particularly heavy on monopoly exports of rice. Agricultural imports are also licensed, but a few agricultural commodities (animals and poultry for breeding, eggs, seeds, and plant materials) are permitted duty-free entry. Most import duties are ad valorem, but some specific and combination rates also apply. Ad valorem rates generally range from 5 to 40 percent; processed and competitive products are usually considerably higher. Duty-free

imports include Government purchases, Sea Island cotton, breeding animals, poultry and eggs, and some seed and plant materials. Preferential rates are granted British Commonwealth nations, usually about 15 percent less than the general rate. Special preferences also apply to members of the Caribbean Free Trade Association (CARIFTA), Antigua, and Barbados. (Gae A. Bennett)

PARAGUAY

Steady economic growth has prevailed in Paraguay in the present decade, resulting in increased per capita income, growing trade, and rapid gains in foreign exchange reserves. Farm and nonfarm sectors have increased output, and urbanization has made only small inroads into the predominantly rural economy. However, per capita income is less than two-thirds of the Latin American average, and continued economic progress hinges directly on maintaining a high rate of growth in agricultural production and exports.

The 1967-68 development plan prepared by the Technical Planning Secretariat called for an annual increase of 5.4 percent in GNP, 5.1 percent in crop production, and 5.1 percent in livestock output. However, the Ministry of Agriculture has very limited resources for improving production and marketing methods, opening up new production areas and raising incomes of agricultural workers. Government expenditures and loans programed for agricultural development in 1966 were divided as follows in million guaranis (U.S. dollars): Ministry of Agriculture, 123.8 (1 million); Agricultural Credit Institute (CAH), 18.8 (0.2 million); Rural Welfare Institute (IBR), 138.6 (1.1 million); National Development Bank (BND) for crops, 343.5 (2.7 million) and for livestock, 121.3 (1.0 million), totaling 746 (5.9 million).

Limited agricultural research and extension activities are conducted by the 22 branch offices of the Agricultural Extension Service and by the National University's Faculty of Agronomy and Veterinary Medicine. The BND, CAH, and IBR supply supervised credit to farmers. The BND recently expanded its lending for the acquisition of farm implements and fertilizers with the help of a $3 million U.S. AID loan. A pasture and livestock development program is also operating with the assistance of a $7.5 million International Development Association loan. Pilot projects for the increased production of wheat, dairy products, and tobacco are underway, but significant increases in production are not expected in the near future. Land reform activities by IBR are limited by the lack of funds. Road construction, such as the Trans-Chaco and Brazil roads partly financed by the United States, has high priority in land and market development.

Production, price, and acreage controls are ordinarily limited except for the setting of beef export slaughter quotas. A general 250,000-head quota was set for the 1967 season after experimentation with individual quotas for three main packing plants in 1966. A surplus of sugarcane in 1966 led the Government to restrict the cane harvest to 400,000 tons.

Export quotas are infrequently used, but subsidies are granted and export taxes are adjusted to encourage exports. The export tax for meat and its byproducts is 2.5 percent; sugar and fruit, free; and minor products, 7.5 percent.

There are no quantitative restrictions on imports, but prior deposits are required for some items. Import levies include a specific duty expressed in guaranis, a 15 percent ad valorem duty, a 0 to 24 percent "complementation" tax, and a 32 percent exchange surcharge. Wheat, the major agricultural import, and LAFTA concession items are exempt from all surcharges. Paraguay grants preference on LAFTA imports for certain commodities, including cattle, powdered milk, tallow, and hops. (Richard M. Kennedy)

PERU

Agriculture provides a major share of Peruvian national income and foreign exchange earnings, but its development has been overshadowed by the growth in the fisheries, manufacturing, and mineral industries during the past decade. Demand for agricultural products has increased sharply with the growth in per capita income and the rapid urban development in the coastal region. Farm production has barely kept pace with population growth, and the value of food imports increased 43 percent in 1961-65. However, agriculture's share of total imports has remained nearly constant, rising from 16 to 18 percent.

Economic growth trends weakened in 1966 due in part to declines in world prices for principal exports which also contributed to trade and monetary deficits and inflation. Weather uncertainties, inadequate transportation and marketing services, and problems in farm organization restrict production of livestock and food crops and contribute to underemployment, low productivity, and inadequate living levels in the heavily populated highland region.

The National Planning Institute coordinates general planning activities and has published various sector plans, including an Agricultural Development Plan for 1967-70. Goals are outlined in the Agricultural Promotion Law under consideration by Congress, such as increased employment and income levels of rural people, accelerated economic integration of the country, and provision of an adequate supply of food for consumption and of raw materials for industry.

Agricultural policy aims at expanding agricultural output by enlarging the cultivated area and improving yields of crop and livestock products. Achievement of this policy lies with research, extension, credit, irrigation, and general development carried out by the Ministry of Agriculture, the National Agricultural Research and Extension Service (SIPA), and the Agricultural Development Bank (BFA); settlement and colonization by the National Agrarian Reform Agency (ONRA); and farm price support and marketing operations by the National Food Supply Corporation (CONAP).

Production and marketing programs: The Government has strengthened research and extension programs through SIPA, a semiautonomous agency within the Ministry of Agriculture. These programs focus on basic food crops, pasture, and livestock and are supplemented by private efforts, including those of cotton and sugar producers. The National Agrarian University has expanded its training program to raise the number of agricultural graduates from 97 in 1961 to 250 by 1968. However, these programs remain small in relation to total needs because of financial restrictions and the lack of trained personnel.

The national agricultural credit program is still in early stages of development. Private credit agencies serve large producers of the principal export crops and the BFA provides the major source of loans to medium and small producers. Although credit is generally short-term and for financing of production, a significant portion of funds is used for longer term loans for livestock and crop improvement. The bank supports a program, Coastal Plan (COSTA) operated by SIPA for small farmers in the 50 coastal valleys, and provides credit for colonization and settlement projects.

A 1965-69 program for increasing agricultural lands by 1.1 million hectares (2.7 million acres) depends upon irrigation and settlement projects, principally in the coastal region, and the opening of new lands in the eastern tropical region. New irrigation projects under construction or study are expected to add 225,000 hectares (556,000 acres) and improve available water supply for another 320,000 hectares (791,000 acres). The San Lorenzo project near Piura was recently completed in northern Peru with 23,000 hectares (57,000 acres), as was the first stage of La Joya in the southern highlands near Arequipa with 3,000 hectares (7,000 acres). The program is expected to be far short of its goals, although expansion of the agricultural area may be significant.

The Agrarian Reform Law of 1964 provided the basis for a significant change in farm organization to distribute public and idle private lands. The central highlands and southern departments of Cuzco and Puno have been designated as Agrarian Reform zones under the law. By January 1966, titles to 223,500 hectares (552,000 acres) of land had been distributed to tenants with another 1.3 million hectares (3.2 million acres) in process. The ONRA is also responsible for land distribution and support for colonists settled under irrigation and other land development projects.

Coastal farms are required to devote specified percentages (15 to 35 percent) of their cultivated area to food crops. CONAP maintains a fixed annual price to rice producers under a monopoly purchase program. It also maintains a guaranteed producer price for wheat. A minimum producer price was established for yellow beans in 1965 and extended to other dry beans and chickpeas in 1966. Prices established for the 1966 crop in soles per kilogram (U.S. cents per pound) were: Rice, 3.1 (5.2); wheat, 2.5 (4.2); yellow beans, 7.3 (12.3); and lima beans, 8.3 (14). The Government also agreed to purchase 1967-crop potatoes grown in the central coastal area at a fixed price for the Lima market.

CONAP, which controls rice marketing, has established purchase and marketing programs to maintain supplies and consumer prices for other agricultural products at reasonable levels. In late 1965 CONAP was given added responsibility for food supply programs, including purchase, sale, construction, and operation of storage, processing, and distribution facilities. It assumed supervision of the national slaughterhouse in Callao in early 1966, has been authorized to build a producers market near Lima, and plans to construct a poultry processing plant.

<u>Trade programs</u>: Exports are licensed to assure adequate domestic supplies. Export taxes, levied on most agricultural commodities, traditionally provide an important source of Government revenue. Due to the decline in world price, a 15 percent export tax on sugar has been eliminated, and a 1966 law relieved exporters from an advance profit tax of 8.9 soles per kilogram (15 U.S. cents per

pound). Cotton exporters continue to pay a tax of 0.5 sole per kilogram (0.93 U.S. cents per pound) for Tanguis (long staple) and 0.6 sole per kilogram (1.06 U.S. cents per pound) for Pima (extra-long staple).

Import licenses are required, but generally are issued automatically. Trade is regulated principally through the import tariff system and Government trading operations. Specific and ad valorem duties generally apply, with concessions granted on approximately 500 items under GATT and to LAFTA members. Tariff revisions from 1964 to 1967 significantly increased the level of duties for many agricultural imports. For selected commodities, specific duties in soles per kilogram (U.S. cents per pound) as well as ad valorem duties in percentage of c.i.f. value now apply: Wheat, 0.05 (0.1) and 10; corn, 0.20 (0.3) and 30; rice, 3 (5.1) and 30; apples and pears, 1.50 (2.5) and 60; prepared pork, 4.50 (7.6) and 40; butter, 5 (8.5) and 25; crude lard, 0.50 (0.8) and 20; crude tallow, 0.20 (0.3) and 30; and crude cottonseed and soybean oils, 0.20 (0.3) and 20. Peruvian concessions granted at the recent Kennedy Round negotiations and also extended to LAFTA members are shown by the following specific rates in soles per kilogram and ad valorem duties: Crude lard, 0.30 (0.5) and 15; soybean oil, 0.10 (0.2) and 20. Preferences applied to imports from LAFTA countries include the following ad valorem duties in percent of c.i.f. value: Wheat, 0; corn, 8; rice, 15; apples, 5; pears, 0; butter, 10; crude tallow, 5; sunflowerseed oil, 5.

The effect of increased duties and LAFTA preferences upon imports have been partially offset by exemptions which have included food imports by CONAP and other Government agencies. Those exemptions have normally applied to wheat but have also included rice, vegetable oils, and breeding animals. In addition to duties, other charges apply, including a 1.5 percent custom charge from which LAFTA imports are exempt. Peru also has an agreement with Argentina for the supply of 100,000 tons of wheat each year. (Samuel O. Ruff)

URUGUAY

The Uruguayan economy has been characterized for the last decade by a slow rate of growth. Budget deficits, foreign exchange shortages, and inflation have resulted in a preoccupation with stop-gap tax and foreign exchange policies. A lag in agricultural output has been a major difficulty since agriculture is the second most important contributor to GNP and accounts for 95 percent of foreign exchange earnings.

The National Governing Council was replaced by an elected President in March 1967. The new Administration is expected to adopt the goals contained in the 1965-74 development plan prepared by the Investment and Economic Development Commission (CIDE) in 1964. The plan calls for annual increases of 5.2 percent in GNP and 4.2 percent in agricultural output. Agricultural policy is formulated by the Ministry of Agriculture and Livestock with the assistance of consultative commodity boards. Development plan implementation has been largely frustrated by delayed Congressional enactment of the comprehensive legislation required to effect needed changes.

The Ministry's research program is carried out in three stations specializing in agronomy, horticulture, and animal disease assisted by the University

of the Republic's Faculties of Agronomy and Veterinary Medicine. The Bureau of Agronomy and Livestock of the Ministry has 33 extension agents and 20 veterinarians stationed throughout the country.

Short and long-term credit is provided by the Bank of the Republic, the Mortgage Bank, and the National Resettlement Institute. A new revolving fund, partly supported by AID assistance, is administered by the Bank of the Republic for crop and pasture improvement loans. The Ministry's Agricultural Development Plan Commission subsidizes fertilizer, pasture seed, and cattle production inputs with proceeds from export taxes. The Honorary Livestock Improvement Plan Commission's permanent pasture improvement program, initiated in 1965, has provided technical and economic assistance to more than 1,900 farmers to improve 900,000 hectares (2.2 million acres). A total of 3 million hectares (7.4 million acres) of permanent pasture is to be established or improved by 1974.

The Ministry maintains guaranteed minimum producer prices for principal crops. They were set at the following levels in early 1967 in pesos per kilogram (U.S. cents per pound): Wheat, 3.9 (2.3); cotton, 43 (25.6); milk, 4.2 (2.5); sugarcane, 0.8 (0.5); sugarbeets, 1.9 (1.1); and carcass beef to butcher shops, 21.7 (12.8).

Land reform, administered by the National Resettlement Institute, has made little progress in the absence of a workable agrarian reform law. A new agronomic map based on the Institute's land survey covering 3.4 million hectares (8.4 million acres) will provide an important tool for economic development.

The National Subsistence and Price Control Council maintains low retail and wholesale food prices through the operation of its own stores. It also controls retail prices of fruit and vegetables in open markets. Beef and mutton sales are banned 3 days a week to encourage exports. Cooperatives are active in the domestic and foreign marketing of dairy products, poultry and eggs, truck crops, grapes, and wine. One cooperative has a monopoly on milk deliveries to Montevideo and sets producer milk quotas.

No quantitative restrictions are imposed on exports, except on rare occasions to insure adequate domestic supplies. Export taxes of up to 50 percent of official valuation are levied on all exports and are a major source of Government revenues. Selective adjustments are made to compensate for exchange rate devaluations or to encourage exports of selected products. Export duties in January 1967 in pesos per kilogram (U.S. cents per pound) included the following: Greasy wool, 24 (14.3); and dry cattle hides, 13.3 (7.9). Corned beef is taxed at 33 percent of export value. The Government has introduced into the Congress a comprehensive tax proposal which would sharply reduce export taxes to promote exports. Since other taxes such as the income tax would be increased, the Government has asked for authority to raise the permissible level of export subsidies.

Until recently there were no quantitative restrictions in force for imports. However, a serious financial crisis led to the imposition of severe import prohibitions in July 1967. Ad valorem tariffs range from 30 to 110 percent of official valuation, but protection is afforded primarily by surcharges of 30 to 300 percent, with a prior deposit of 200 percent required for items with surcharges of 150 percent and above. Representative combined tariff duties and

surcharges (in percent ad valorem) are 50 percent for cotton and 43 percent for tobacco, with a preferential rate of 12 percent granted cotton imports from LAFTA countries. Import duties may be reduced substantially if ruled in the national interest. A revision of surcharges is expected shortly to cope with the current financial crisis. Passage of a bill introduced into the Congress would result in the complete reassessment of customs duties and surcharges as part of the proposed conversion to the Brussels Tariff Nomenclature in January 1968.

Bilateral commercial and payments agreements are in force with several nations, and wheat sales agreements have recently been reached with Brazil and Chile. (Richard M. Kennedy)

VENEZUELA

The Venezuelan petroleum industry has provided a surplus of foreign exchange earnings and revenue for development of industry, transportation, and urban services. Income and urban growth have created a strong demand for food products and, despite a recent significant rise in agricultural output, farm products account for about 15 percent of the total value of imports. High import protection has contributed to high costs in industry and agriculture. The movement of population from rural to urban centers continues to add to urban unemployment.

General objectives of the 1965-68 development plan prepared by the Central Office of Coordination and Planning are a high rate of economic growth, improved income distribution, and reduced dependence upon the petroleum industry. Agricultural goals with a high priority are improved productivity and living standards of agricultural workers, stabilization of the rural population, and increased production for greater self-sufficiency in food and for the development of related industry.

Agricultural policies include providing land for rural workers and encouraging a more productive use of available private and public lands. The Government encourages and supplements agricultural development activities of numerous private and State agencies. Implementation involves land development and settlement programs of the Ministry of Public Works and the Agrarian Reform Institute (IAN), and the research, extension, and credit programs of the Ministry of Agriculture and the Agriculture and Livestock Bank (BAP). The BAP also maintains minimum producer prices and provides marketing services.

Production and marketing programs: The National budget allocated to agriculture increased from 663 million bolivares ($146 million) or 10 percent of the total in 1962 to 826 million bolivares ($182 million) or 11.3 percent in 1965. Direct allocations to production programs, including research, extension, and land development, were nearly two-thirds of the 1965 total for agriculture with the remainder mainly for credit and market support rural water supply, and housing.

The agricultural research program, conducted through one central and nine field stations, has recently been strengthened by the training of personnel to carry out applied research for the principal agricultural products. It was

estimated that extension services were provided to less than 20 percent of farm families in 1962, but since then coverage has increased appreciably. Extension personnel increased from 600 in 1962 to 964 in 1966, giving more attention to youth activities, general farm practices, and home demonstration. Government programs are supplemented by private research, including that of the petroleum industry. A National Fund for Agricultural Research was established under the Ministry of Agriculture in 1961 to cooperate with public and private organizations in promoting projects on general problems restricting agricultural development.

Responsibility for land development and settlement was centralized under the 1960 Agrarian Reform Law, and since that time 3 million hectares (7.4 million acres), principally public lands, have been turned over to 130,000 families. This directed program for 862 settlements has required a significant investment in land clearing, drainage, irrigation, and roads, and in the provision of housing and technical services.

The BAP Credit Program was expanded from 118 million bolivares ($26 million) in 1961 to 286 million bolivares ($63 million) in 1965, with principal gains in loans to small farmers. There was also a significant increase in credit granted under special programs, such as supervised credit for livestock development, coffee and cocoa production, and breeding cattle and farm machinery imports.

Commodity development programs are supported by guaranteed minimum prices, mandatory purchase by processors, and direct subsidies. Minimum prices were established by the BAP 3 months before planting for the following crops in bolivares per kilogram (U.S. cents per pound) in 1966: Corn, 0.4 (4); rough rice, 0.5 to 0.6 (5 to 6); black beans, 1.1 (11); potatoes, 0.3 to 0.4 (3.5 to 4); and sisal, 0.6 to 0.8 (6.4 to 8). Producers of coffee and cocoa, the principal agricultural exports, also are guaranteed a minimum price. A direct subsidy of 0.10 and 0.12 bolivares (2.2 and 2.7 cents) per liter is paid producers for raw cold and warm milk delivered to powdered milk manufacturers. Production is also regulated through credit allocations.

Limited transport and marketing services are restrictions to development, particularly for livestock and basic food crops. The farm-to-market road system is limited despite substantial highway development. The principal storage for staple food crops is provided by BAP which controls an estimated 342,000 tons of storage capacity. Maximum retail prices are fixed and reviewed periodically for staples, including meat, pasteurized milk, cheese, eggs, vegetable oils, lard, rice, beans, potatoes, sugar, and wheat flour.

Trade programs: Agricultural exports, except for coffee and cocoa beans, do not require licenses and are generally free of duties. Subsidies are paid to producers on coffee and cocoa exports whenever world prices fall below the guaranteed minimum. Exports of other agricultural commodities are also encouraged, but only sugar and rice have achieved an export surplus in recent years.

Import duties are mostly specific, although a few ad valorem tariffs which do apply provide strong protection to established domestic industry. General tariff duties on important agricultural imports in bolivares per kilogram (U.S. cents per pound) are: Fresh and frozen meat, 0.001 (0.01); prepared

meat, 0.012 (0.12); dried and evaporated milk, 0.5 (5.0); butter, 2.2 (22); cheese, 4 (40); wheat, 0.02 (0.20); rice, 0.23 (2.3); corn, 1.2 (12); hops, 1.2 (12); copra, 0.8 (3); edible vegetable oils, 4 (40); beans, 0.05 (0.5) apples and pears, 0.1 (1); fruit pulp, 0.1 (1) cotton, 2 (20); and cigarettes, 22 (220). In addition, a customs surcharge of 2 to 3.5 percent applies.

Licenses are required for imports of most agricultural commodities, although a few commodities, such as breeding animals, are exempt. Commercial imports are prohibited for products in adequate domestic supply--including coffee, cottonseed, melons, plantains, and citrus fruit. Domestic production programs are also protected by a contingency system which ties imports to a target price or purchase of specified quantities of domestic commodities. Currently, import licenses require the purchase of 100 percent of the domestic output of copra, sesame, peanuts, and seed potatoes. Imports of powdered whole and skin milk are regulated by quantitative quarterly quotas. Imports of wheat and powdered whole milk are permitted at a special exchange rate of 3.35 bolivares per U.S. dollar compared with a free rate of 4.5 bolivares for other products. Most-favored-nation bilateral agreements cover trade with Belgium, Bolivia, Canada, El Salvador, Italy, the Netherlands, Spain, the United Kingdom, and the United States, and provide for preferential duties on a limited list of imports. Venezuela became a member of the Latin American Free Trade Association in 1966 and has concluded tariff negotiations with other member countries, except for Argentina, Brazil, and Ecuador.

SOUTH AMERICAN DEPENDENCIES

French Guiana: French Guiana, a Department of France, is underpopulated, underdeveloped, and heavily dependent upon French support. Agricultural production is little developed and limited mainly to crops for local consumption. It is self-sufficient in cassava, sweetpotatoes, and yams, but must supplement production of corn, rice, fruits, vegetables, and meat with imports. Food products, including wheat flour, sugar, dairy products, canned meats, and fats and oils, account for almost one-third of total imports.

An 8 percent annual economic growth rate has been established as the goal for the French Overseas Departments (including French Guiana) under the 5-year development plan (1966-70). Government policy is to diversify and expand agricultural production. Programs have been put into effect in recent years to determine and introduce crops most suited to French Guiana's soils, to distribute land to landless farmers, and to provide technical assistance. Local agricultural officials are presently concentrating on improving farming methods and reducing the annual food deficit. Little progress, however, has been made toward achieving these policies.

French Guiana's tariffs are similar to those of France. Licenses are required for all imports and exports, and tariff rates favor France and other Common Market countries. Import quotas are established separately for goods from the dollar areas, the European Economic Community, and all other countries. Most trade is with France and the French Antilles. (Gae A. Bennett)

Surinam: Surinam has equal status with the Kingdom of The Netherlands as a "Member of the Realm." The economy is dominated by the bauxite industry.

However, agriculture is an important source of employment and provides significant exports--mainly rice, citrus fruits, coffee, and sugar--to the Netherlands and to Caribbean islands. Agricultural products account for about 15 percent of total imports and consist primarily of wheat flour, grains, meat products, and fruit and vegetable preparations.

Agricultural policy, embodied in the Government's 10-year development plan for 1955-64 and extended through 1967, is directed toward expanding acreage and the production of crops for domestic consumption and exports and increasing the size and efficiency of the independent farm, which predominates. The Netherlands Government provides substantial financial and technical assistance to producers, particularly to improve the production of bananas and other export crops.

Exports of rice, cattle, pigs, chickens, ducks, and fresh meat are restricted and subject to export determinations by the Ministry of Economic Affairs. Imports are restricted by licenses, advance deposits, and tariff duties. The Government restricts imports of wheat flour, edible oils in containers over 10 liters, and butter, and prohibits the entry of sugar, coffee, macaroni, vermicelli, fresh white cabbage, edible oils in containers over 10 liters, and powdered milk, excluding that for use by bakeries. (Gae A. Bennett)

Falkland Islands and Dependencies: Agriculture is almost nonexistent in this British territory, except for the natural pastures in the Falkland (Malvinas) Islands which support sheep, cattle, and horses. The Dependencies are Antarctic in character and have no agriculture. The area relies heavily on food imports and exports a few agricultural commodities, principally wool, hides, and skins. Living standards are low and trade has trended downward.

Trade is influenced by Commonwealth arrangements and is mostly with the United Kingdom. The area enjoys a favorable balance of trade. Agricultural imports, mostly fats and oils, processed food, and beverages, account for about one-third of the total trade. (Richard M. Kennedy)

Appendix

ABBREVIATIONS *

ABCAR	Brazilian Association for Credit and Rural Assistance
AID	United States Agency for International Development (Washington Office)
ANAP	National Association of Small Farmers (Cuba)
ANDSA	National Food Storage Agency (Mexico)
BAB	Agricultural Bank of Bolivia
BAP	Agriculture and Livestock Bank (Venezuela)
BFA	Agricultural Development Bank (Peru)
BND	National Development Bank (Paraguay)
CACM	Central American Common Market
CAH	Agricultural Credit Institute (Paraguay)
CARIFTA	Caribbean Free Trade Association
CBF	Bolivian Development Corporation
CDA	Canadian Department of Agriculture
CIDE	Investment and Economic Development Commission (Uruguay)
c.i.f.	Cost, insurance, and freight
CNP	National Production Council (Costa Rica)
CONAP	National Food Supply Corporation (Peru)
CONASUPO	National Food Supply Agency (Mexico)
CONCA	National Rice Marketing Association (Bolivia)
CONCEX	National Trade Council (Brazil)
CORA	Agrarian Reform Corporation (Chile)
CORFO	Chilean Development Corporation
DAAC	Department of Agrarian Affairs and Colonization (Mexico)
DESARRURAL	Cooperative Service for Rural Development (Honduras)
ECA	National Marketing Agency (Chile)
FACREA	Argentine Federation of Regional Societies for Agricultural Experimentation
FAO	Food and Agriculture Organization (United Nations)
FCC	Farm Credit Corporation (Canada)
f.o.b.	Free on board
GATT	General Agreement on Tariffs and Trade
GNP	Gross National Product
IAA	Sugar and Alcohol Institute (Brazil)
IAN	Agrarian Reform Institute (Nicaragua and Venezuela)
IBC	Brazilian Coffee Institute
IBR	Rural Welfare Institute (Paraguay
IBRA	Brazilian Land Reform Institute
IBRD	International Bank for Reconstruction and Development (World Bank)
IBC	Brazilian Coffee Institute
ICA	International Coffee Agreement
ICA	National Agricultural Research Institute (Colombia)
IDAI	Institute for Agricultural and Industrial Development (Haiti)
IDB	Inter-American Development Bank
IFE	Economic Development Institute (Panama)

IHCAL	Institute of Agricultural and Industrial Credit (Haiti)
INA	National Institute for Food Supply (Colombia)
INAN	Agrarian Reform Institute (Nicaragua)
INCEI	National Institute of Foreign and Domestic Commerce (Nicaragua)
INCORA	National Institute for Agrarian Reform (Colombia)
INDAP	Agricultural Development Institute (Chile)
INFONAC	Development Institute (Nicaragua)
INFOP	Production Development Institute (Guatemala)
INRA	National Agrarian Reform Institute (Cuba)
INTA	National Institute of Agrarian Transformation (Guatemala)
INTA	National Institute for Agricultural Technology (Argentina)
IRA	National Institute for Food Stabilization (El Salvador)
IRGA	Rice Institute of Rio Grande do Sul (Brazil)
ITCO	Land and Colonization Institute (Costa Rica)
IWA	International Wheat Agreement
LACM	Latin American Common Market
LAFTA	Latin American Free Trade Association
OAS	Organization of American States
ODEPLAN	National Planning Office (Chile)
ONRA	National Agrarian Reform Agency (Peru)
PLANEACION	National Planning Office (Colombia)
SIPA	National Service for Agricultural Research and Development (Peru)
STACA	Colombian-American Technical Agricultural Service
SUNAB	National Superintendency of Supply (Brazil)
USAID	U.S. Agency for International Development (Country mission)

* Abbreviations are from the language of origin. Names of Latin American institutions are translated from French, Portuguese, or Spanish.

Table 1.--Western Hemisphere countries and dependencies: Selected economic data 1/

Country and region	Gross national product: Total 2/	Gross national product: Per capita	Gross national product: Agr. share 3/	Gross national product: Growth rate 4/: Total	Gross national product: Growth rate 4/: Per capita	Population: Total 2/	Population: Urban share	Population: Growth rate 4/: Total	Population: Growth rate 4/: Rural	Population: Growth rate 4/: Urban	Literacy 5/	Gold and foreign exchange reserves: Total 6/	Gold and foreign exchange reserves: Per capita	Trade 7/: Exports (f.o.b.): Total	Trade 7/: Exports (f.o.b.): Per capita	Trade 7/: Exports (f.o.b.): Agr. share	Trade 7/: Imports (c.i.f.): Total	Trade 7/: Imports (c.i.f.): Per capita	Trade 7/: Imports (c.i.f.): Agr. share	Daily per capita food availability 1959-61: Calories	Daily per capita food availability 1959-61: Protein
	Mil. dol.	Dol.	Per-cent	Per-cent	Per-cent	Thous.	Per-cent	Per-cent	Per-cent	Per-cent	Per-cent	Mil. dol.	Dol.	Mil. dol.	Dol.	Per-cent	Mil. dol.	Dol.	Per-cent	Calories	Grams
Canada.	51,059	2,551	5	5.6	3.8	20,015	70	1.8	-2.0	3.6	99	2,693	135	8,494	433	19	8,713	445	11	3,110	96
Mexico.	20,678	468	16	6.1	2.7	44,172	55	3.4	1.4	5.1	72	557	13	1,146	24	47	1,560	37	8	2,580	68
North America .	71,737	1,118	8	5.7	2.8	64,187	60	2.9	0.3	4.6	80	3,250	51	9,640	155	22	10,273	165	11	2,756	77
Barbados.	95	67	25	5.1	3.2	259	60	1.9	(1.5)	(2.2)	92	n.a.	n.a.	38	149	76	68	267	28	(2,300)	n.a.
Cuba.	2,850	364	35	-2.5	-4.8	7,833	59	2.3	.8	3.0	76	n.a.	n.a.	686	90	(95)	865	113	(25)	2,730	61
Dominican Republic	989	264	24	1.7	-1.9	3,749	30	3.6	2.6	5.6	64	44	12	123	34	92	106	29	21	2,020	41
Haiti	339	71	52	1.1	-1.2	4,767	16	2.3	1.8	5.9	20	2	0.5	36	8	70	36	8	(25)	1,780	46
Jamaica	860	469	13	4.8	2.8	1,833	24	2.0	(1.4)	(3.5)	85	107	58	212	119	44	288	161	21	2,270	58
Trinidad & Tobago	653	650	12	6.0	3.0	1,004	23	3.0	(2.1)	(6.2)	80	29	29	404	414	11	472	484	13	2,470	63
Antilles (Neth.).	238	1,112	(10)	n.a.	n.a.	214	44	2.0	(1.2)	(3.0)	85	n.a.	n.a.	603	2,871	negl.	746	3,552	4	(2,400)	n.a.
Bahamas (Br.) . .	(140)	(1,138)	(10)	n.a.	n.a.	123	(60)	2.7	(1.7)	(3.4)	76	n.a.	n.a.	13	108	(10)	99	825	(28)	(2,400)	n.a.
Bermuda (Br.) . .	(125)	(2,551)	(2)	n.a.	n.a.	49	100	1.8	0	1.8	97	n.a.	n.a.	2	42	(10)	52	1,083	(21)	(2,400)	n.a.
Leeward & Windward Islands (Br.) .	(120)	(238)	(40)	n.a.	n.a.	504	(30)	2.1	(1.8)	(2.7)	70	n.a.	n.a.	47	98	93	114	237	29	(2,100)	n.a.
West Indies (Fr.)	(300)	(471)	(40)	n.a.	n.a.	637	(45)	2.6	(1.8)	(3.6)	76	n.a.	n.a.	81	130	98	176	283	20	(2,300)	n.a.
Caribbean . . .	6,709	320	27	0.5	-2.0	20,972	38	2.5	1.6	4.4	62	182	17	2,245	110	48	3,022	148	17	2,300	53
Costa Rica. . . .	629	404	29	4.9	1.1	1,558	34	3.8	3.3	5.6	84	17	11	112	75	95	178	119	10	2,520	63
El Salvador . . .	845	281	31	6.4	3.2	3,008	39	3.2	2.7	4.4	48	57	19	189	65	88	201	69	20	2,000	54
Guatemala	1,496	314	28	6.5	3.2	4,770	34	3.3	1.9	4.6	38	61	13	187	40	92	229	50	12	1,970	50
Honduras.	534	229	46	3.8	0.7	2,333	26	3.1	(2.1)	(6.0)	45	27	12	127	56	82	122	54	12	2,330	61
Nicaragua	606	355	36	7.8	4.6	1,705	42	3.2	2.7	4.9	50	58	34	144	87	80	161	97	11	2,190	62
Panama.	664	516	20	8.0	4.8	1,286	47	3.2	1.7	4.2	80	36	28	78	63	50	224	180	13	2,370	55
British Honduras.	40	367	42	n.a.	n.a.	109	54	3.0	(2.0)	(4.0)	89	n.a.	n.a.	13	123	62	24	226	17	2,020	53
Central America	4,814	326	31	6.3	3.0	14,769	36	3.3	2.3	4.9	51	256	17	850	59	85	1,139	80	13	2,150	56
Argentina	13,320	586	17	2.6	1.0	22,710	72	1.6	1.0	2.2	91	216	10	1,493	67	95	1,199	89	5	3,220	101
Bolivia	638	151	28	5.0	2.7	4,235	35	2.3	1.5	4.0	37	41	10	110	27	5	126	30	28	2,010	56
Brazil.	16,101	192	27	4.2	1.2	83,953	50	3.0	1.5	4.9	61	410	5	1,595	20	83	1,096	13	17	2,710	65
Chile	5,133	570	10	4.5	2.1	9,007	68	2.4	.1	3.6	84	171	19	685	78	7	604	69	25	2,610	73
Colombia.	5,446	294	31	4.5	1.6	18,524	53	2.9	1.2	4.7	62	123	7	537	30	81	454	25	11	2,280	53
Ecuador	1,132	216	34	4.3	1.0	5,250	38	3.3	2.2	4.8	68	61	12	134	26	94	171	34	15	2,100	53
Guyana.	205	308	25	n.a.	n.a.	665	16	2.8	(2.4)	(4.8)	86	15	23	97	150	52	104	160	19	(2,250)	n.a.
Paraguay.	512	248	37	4.6	1.8	2,061	35	2.8	2.5	2.8	77	11	5	57	28	63	52	26	23	2,400	67
Peru.	4,534	377	21	6.5	3.4	12,012	47	3.1	1.7	5.2	60	155	13	666	57	38	719	62	16	2,060	51
Uruguay	1,404	510	17	0.4	-1.0	2,753	73	1.4	0	(1.9)	90	196	71	191	70	95	151	56	14	3,030	99
Venezuela	8,706	895	7	5.0	1.6	9,019	67	3.4	1.1	4.8	80	776	86	2,744	315	1	1,453	167	14	2,330	60
Falkland Is. (Br.)	n.a.	n.a.	(70)	n.a.	n.a.	2	12	0	n.a.	n.a.		n.a.	n.a.	9	450	60	4	200	36	(2,600)	n.a.
French Guiana . .	(11)	(282)	(10)	n.a.	n.a.	39	65	2.8	(1.4)	(3.5)	74	n.a.	n.a.	3	79	23	20	526	26	(2,100)	n.a.
Surinam (Neth.) .	150	395	16	n.a.	n.a.	365	40	2.9	(1.8)	(4.5)	80	30	82	59	166	7	95	268	12	(2,350)	n.a.
South America .	56,662	332	20	4.0	1.2	170,595	53	2.8	1.3	4.4	68	2,205	13	8,380	50	47	6,248	38	14	2,630	67
Latin America . .	88,863	355	20	4.3	1.4	250,508	51	2.9	1.4	4.6	67	3,200	13	12,621	52	50	11,969	49	14	2,570	65
Hemisphere. . . .	139,922	517	15	4.7	1.9	270,523	52	2.8	1.1	4.5	69	5,893	22	21,115	80	37	20,682	79	13	2,608	67

1/ Excludes United States, dependencies, and Puerto Rico. Estimates in parentheses are provisional, and regional include all data entered. 2/ Preliminary 1966. 3/ Includes fishing and forestry, most recent estimates, 1958-60 for Barbados, Cuba, Haiti, British Honduras, and Surinam; 1961-65 for others. 4/ 1960-66, except 1964-66 for Haiti GNP. 5/ 1960 to 1966. 6/ December 1966. 7/ 1965, except Leeward and Windward Islands (1962-64), Bermuda (1964), and Falkland Islands (1961). Agricultural share, 1961 or 1962, except Canada (1965).

Sources: AID; U.N. Demographic Yearbooks; Univ. Calif. (Los Angeles), Statistical Abstract for Latin America-1964; U.N. Statistical Bulletin for Latin America, various years; Interamer. Devlpt. Bank, Social Progress Trust Fund-Annual Report 1966; IMF, International Financial Statistics; Thomas Skinner & Co., West Indies and Caribbean Yearbook-1967; Union Panamerica, America en Cifras 1965; Dominion Bur. Statis., Canada Year Book-1965; USDA, ERS-F 86, ERS-F 145, and ERS-F 187.

Table 2.--Western Hemisphere countries and dependencies: Selected agricultural data 1/

Country and region	Total land area	Land use 2/				Land area per capita 3/				Mechanization			Fertilizer use			Rate of change in per capita agricultural output 1955-59 to 1962-66			
		Year	Crops	Pasture	Farms	Total	Crops	Pasture	Farms	Year	Farm tractors	Cropland per tractor	Year	Total nutrients	Cropland application	Total	Crops	Livestock	Food
	1,000 hectares		Pct.	Pct.	Pct.	Ha.	Ha.	Ha.	Ha.		Number	Ha.		1,000 tons	Kg/ha.	Pct.	Pct.	Pct.	Pct.
Canada	919,423	1961	5	2	8	45.9	2.1	1.0	3.5	1966	598,483	70	1965	683	16	0.8	0.9	0.1	0.9
Mexico	197,234	1960	12	40	86	4.5	.5	1.8	3.8	1960	54,537	437	1964	300	13	1.2	1.6	-0.1	1.5
North America	1,116,657		6	9	22	17.4	1.0	1.6	3.7		653,020	101		983	15	1.1	1.4	0	1.3
Barbados	43	1960	60	9	(70)	.2	.1	4/	.1	1953	239	151	1965	5	192	n.a.	n.a.	n.a.	n.a.
Cuba	11,452	1946	17	34	80	1.5	.3	.5	1.2	1963	18,000	109	1965	240	122	-4.9	-3.9	-4.6	-4.6
Dominican Republic	4,873	1950	17	18	54	1.3	.2	.2	.7	1952	500	1,706	1965	20	23	-1.9	-2.2	-1.5	-2.2
Haiti	2,700	1950	14	18	52	.4	.1	.1	.3	1960	244	1,516	1965	2	5	-3.5	-3.0	-5.1	-3.5
Jamaica	1,096	1964	21	23	63	.6	.1	.1	.4	1961	1,558	148	1965	27	117	1.6	1.9	.3	1.6
Trinidad & Tobago	502	1961	35	1	(41)	.5	.2	4/	.2	1966	500	286	1965	19	109	-1.1	-1.6	1.6	-1.3
Antilles (Neth.)	96	1951	5	5/	(5)	.4	4/	4/	4/	1952	26	192		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Bahamas (Br.)	1,140	1962	1	5/	(2)	9.3	.1	4/	.2		n.a.	n.a.		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Bermuda (Br.)	5	1964	4	4	(8)	.1	4/	4/	4/	1964	40	5		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Leeward & Windward Islands (Br.)	314	1964	34	5	(40)	.6	.2	4/	.2	1964	588	182	1965	7	65	n.a.	n.a.	n.a.	n.a.
West Indies (Fr.)	286	1964	29	13	44	.4	.1	4/	.2	1963	1,044	80	1965	38	452	n.a.	n.a.	n.a.	n.a.
Caribbean	22,507		17	25	64	1.1	.2	.3	.7		22,739	169		358	93	-3.4	-3.4	-4.0	-3.4
Costa Rica	5,070	1963	12	18	53	3.2	.4	.6	1.7	1963	3,276	186	1965	68	112	-0.2	1.4	-3.6	-1.1
El Salvador	2,031	1961	32	30	77	.7	.2	.2	.5	1956	1,200	540	1965	58	90	1.4	1.6	-2.1	0
Guatemala	10,889	1962	21	11	49	2.3	.5	.2	1.1		n.a.	n.a.	1965	15	7	3.3	4.0	-1.7	1.5
Honduras	11,209	1963	7	30	(50)	4.8	.4	1.5	(2.4)	1964	340	2,421	1965	10	12	1.3	1.6	-0.6	0.7
Nicaragua	12,870	1960	14	11	29	7.5	1.0	.8	2.2	1955	6/2,400	747	1965	16	9	2.3	5.7	-1.3	-.4
Panama	7,565	1961	8	11	24	5.9	.4	.6	1.4	1961	347	1,625		8	14	0	-.6	2.7	-.1
British Honduras	2,262	1964	1	1	(2)	20.8	.3	.2	.4	1964	7/402	77	1965	1	32	n.a.	n.a.	n.a.	n.a.
Central America	51,896		13	16	40	3.5	.5	.6	1.4		7,965	561		176	26	2.1	2.9	-1.5	.1
Argentina	277,666	1960	7	45	63	12.2	.9	5.5	7.7	1960	110,643	176	1964	48	2	-.3	.8	-1.6	-.1
Bolivia	109,858	1963	1	4	8	25.9	.3	.9	1.9	1964	600	2,403	1965	2	1	.4	.6	0	.3
Brazil	851,196	1966	3	(20)	36	10.1	.4	2.0	3.7	1963	6/107,099	277	1965	291	10	.4	.6	.1	1.2
Chile	73,300	1955	4	14	38	8.1	.3	1.2	3.1	1965	25,000	105	1964	120	46	-.7	-.1	-1.4	-.7
Colombia	113,834	1960	4	13	24	6.1	.3	.8	1.5	1960	15,361	328	1964	160	32	.3	.3	-.3	.1
Ecuador	27,067	1961	11	8	22	5.2	.6	.4	1.1	1964	1,700	1,702	1965	15	5	-.1	-.4	1.8	-.7
Guyana	19,671	1964	2	5	14	295.8	4.1	4/	4.1	1952	434	922	1965	9	22	1.1	1.4	-1.3	1.3
Paraguay	40,675	1964	2	24	41	19.7	.4	4.8	8.2	1956	531	1,655	1965	2	2	.3	1.1	-2.0	-.6
Peru	128,522	1962	2	7	14	10.7	.2	.7	1.6	1963	7,800	279	1965	85	39	.9	1.0	.1	.3
Uruguay	18,693	1961	12	77	91	6.8	.8	5.2	6.2	1961	6/24,695	91	1964	35	16	.1	-1.1	.8	.5
Venezuela	88,205	1961	3	19	29	9.8	.3	1.9	2.9	1964	10,000	247	1965	47	19	2.1	1.5	3.6	3.1
Falkland Is. (Br.)	1,194	1961	5/	87	(88)	597.0	4/	518.0	520.0	1956	58	n.a.		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
French Guiana	8,900	1963	5/	1	(1)	228.2	.1	1.3	1.4	1951	16	188		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Surinam (Neth.)	14,282	1964	5/	5/	1	39.1	.1	4/	.3	1951	200	195	1964	1	26	n.a.	n.a.	n.a.	n.a.
South America	1,773,063		4	21	36	10.4	.4	2.2	3.7		304,137	228		815	12	.2	.4	-.7	.6
Latin America	2,044,700		5	23	41	8.2	.4	1.9	3.3		389,378	266		1,649	16	.2	.5	-1.0	.4
Hemisphere	2,964,123		5	17	31	11.0	.5	1.8	3.4		987,861	146		2,332	16	.2	.4	-.8	.4

1/ Excludes United States, dependencies, and Puerto Rico. Estimates in parentheses are provisional, other are most recent, and regional totals include all data entered. 2/ Land in farms refers to different period from land in crops and pasture for Cuba (1961), Dominican Republic (1960), Nicaragua (1963), Ecuador (1954), Paraguay (1956), and Surinam (1959). Land in crops includes tree crops and fallow. Land in farms includes crops, pasture, woods, and nonagricultural uses. 3/ 1966 population. 4/ Less than 0.05 hectares. 5/ Less than 0.5 units shown. 6/ Includes garden tractors. 7/ Wheel tractors only.

Sources: Land area, land use, and mechanization: FAO, Production Yearbook-1965; Union Panamericana, America en Cifras-1965; and ECLA, Econ. Surv. of Latin Amer. 1966. Fertilizer: FAO/CEPAL/IDB, El Uso de Fertilizantes en America Latina, LARC/66 CONF/19, Oct. 1966; and FAO, Monthly Bul. Agr. Econ. and Statis., Mar. 1967. Per capita agricultural output: USDA, ERS-F 44.

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Table 3.--United States: Total and agricultural trade with Western Hemisphere countries and dependencies by value, average 1960-64, and annual 1965-66

Country and region	U.S. imports						U.S. exports					
	1960-64		1965		1966 1/		1960-64		1965		1966 1/	
	Total	Agr.	Total	Agr.	Total	Agr.	Total	Agr.	Total	Agr.	Total	Agr.
	Million dollars											
Canada 2/	3,538.8	180.0	4,813.4	234.2	6,106.4	240.2	3,926.2	529.3	5,485.9	619.7	6,487.1	626.1
Mexico	530.2	260.2	591.0	275.8	705.1	327.6	821.9	67.6	1,055.7	86.8	1,131.1	73.4
North America	4,069.0	440.2	5,404.4	510.0	6,811.5	567.8	4,748.1	596.9	6,541.6	706.5	7,618.2	699.5
Barbados	1.9	1.5	4.5	2.4	3.2	.6	6.5	1.9	8.8	2.0	10.9	2.7
Cuba 3/	80.8	70.8	2.6	2.6	1.6	1.6	57.1	22.8	4/	0	.1	0
Dominican Republic	123.7	109.6	114.5	98.9	130.6	116.4	68.9	13.3	74.9	24.2	86.6	21.4
Haiti	22.0	14.8	20.5	13.4	18.6	12.7	23.9	7.9	21.3	9.7	21.5	8.0
Jamaica	89.3	14.7	123.5	13.3	132.3	17.5	57.5	13.5	86.7	20.8	114.5	22.3
Trinidad and Tobago	90.3	7.9	136.7	7.1	160.8	4.6	43.4	10.2	74.5	9.5	58.9	11.2
Antilles (Neth.)	272.6	.1	326.1	.1	307.8	.3	72.9	9.1	74.4	9.8	71.2	11.1
Bahamas (Br.)	11.9	1.8	24.1	2.5	23.8	1.7	65.2	8.7	106.1	13.5	132.6	17.6
Bermuda (Br.)	2.5	.2	1.3	4/	2.1	4/	36.1	5.5	43.8	6.1	48.7	7.0
Leeward and Windward Islands (Br.)	1.8	1.1	2.3	1.8	2.3	1.7	8.0	1.8	13.0	2.7	17.7	3.8
West Indies (Fr.)	7.5	6.9	7.0	6.9	7.1	6.7	6.0	.7	11.4	1.9	12.0	2.0
Caribbean	704.3	229.4	763.1	149.0	790.2	163.8	445.5	95.4	514.9	100.2	574.7	107.1
Costa Rica	42.1	39.5	57.0	54.3	59.9	57.0	49.7	5.6	60.7	6.1	61.8	5.8
El Salvador	39.3	34.3	48.2	43.9	44.3	37.9	46.6	6.8	60.3	8.1	68.9	9.3
Guatemala	63.9	57.6	66.7	62.0	82.0	76.8	67.9	10.0	94.7	10.8	88.9	12.8
Honduras	34.6	29.3	71.6	64.7	82.4	76.3	41.2	4.1	53.2	5.0	67.1	5.8
Nicaragua	28.4	25.1	36.0	31.1	31.2	24.1	41.9	4.5	68.4	7.2	70.4	8.2
Panama	28.4	16.4	59.5	36.8	67.8	45.0	103.5	10.6	123.8	14.5	136.7	17.0
British Honduras	4.5	1.7	6.8	1.8	3.9	2.1	7.1	2.0	8.0	2.3	9.6	2.4
Canal Zone (Pan.)	2.6	.1	.5	.1	.6	.2	16.9	.7	0	0	0	0
Central America	243.8	204.0	346.3	294.7	372.1	319.4	374.8	44.3	469.1	54.0	503.4	61.3
Argentina	115.8	95.0	121.6	91.2	146.0	109.0	318.6	3.7	265.4	7.6	238.6	5.0
Bolivia	14.7	1.8	31.3	2.2	24.1	3.2	32.9	10.7	41.3	10.2	45.5	9.0
Brazil	553.7	481.1	545.4	413.3	602.6	483.7	418.8	100.0	328.0	59.3	565.3	101.2
Chile	198.3	5.5	181.6	6.1	242.6	7.0	186.5	27.2	234.9	31.6	249.8	41.0
Colombia	274.9	229.8	275.4	208.3	245.7	174.6	239.3	25.5	195.4	29.6	282.4	32.5
Ecuador	70.8	62.9	105.7	95.4	94.3	82.7	57.6	7.9	77.3	10.6	80.0	11.8
Guyana	17.6	6.2	22.4	4.1	28.6	7.0	11.9	3.5	19.7	3.7	24.7	4.8
Paraguay	8.8	6.8	13.5	10.9	12.3	10.1	10.8	2.9	15.7	1.4	19.1	2.6
Peru	183.8	78.3	221.0	75.3	297.1	77.1	182.2	24.4	279.8	33.9	303.3	37.2
Uruguay	20.8	15.8	33.5	26.9	30.9	22.9	43.8	7.7	19.4	1.9	22.9	2.2
Venezuela	936.8	19.5	1,024.3	17.7	1,024.7	22.4	524.4	79.6	620.8	75.9	591.7	82.0
Falkland Is. (Br.)	0	0	0	0	.8	4/	4/	4/	4/	4/	4/	0
French Guiana	.9	.1	3.1	.1	4.3	4/	.8	.1	1.2	.1	1.0	.2
Surinam (Neth.)	31.1	1.0	33.1	.4	49.8	.7	20.1	2.6	35.6	3.1	32.1	3.6
South America	2,428.0	1,003.8	2,611.9	951.9	2,803.8	1,000.4	2,047.7	295.8	2,134.5	268.9	2,456.4	333.1
Latin America	3,906.3	1,697.4	4,312.3	1,671.4	4,671.2	1,811.2	3,689.9	503.1	4,174.2	509.9	4,665.6	574.9
Western Hemisphere	7,445.1	1,877.4	9,125.7	1,905.6	10,777.6	2,051.4	7,616.1	1,032.4	9,660.1	1,129.6	11,152.7	1,201.0
World	16,174.5	3,896.8	21,281.8	4,086.6	25,366.6	4,491.6	22,259.0	5,363.5	27,003.3	6,228.7	29,899.0	6,879.0
L.A. pct. world	24	44	20	41	18	40	17	9	15	8	16	8
Hem. pct. world	46	48	43	47	42	46	34	19	36	18	37	17

1/ Preliminary. 2/ For exports, includes transshipments mostly grain and oilseeds to Western Europe, estimated as follows in million dollars: 1960-64, $106.6; 1964, $159.8; 1965, $176.3; and 1966, $140.0. 3/ U.S. trade embargo went into effect in February 1962. Subsequent exports were relief and ransom shipments and imports were tobacco released from bonded warehouses. 4/ Less than $50,000.

Source: Bureau of the Census.

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